



City of Shoreview Minnesota

Comprehensive Annual Financial Report



For the
Fiscal Year Ended
December 31, 2012

CITY OF SHOREVIEW, MINNESOTA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2012

DEPARTMENT OF FINANCE

Fred W. Espe, Assistant Finance Director

Jeanne A. Haapala, Finance Director

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CITY OF SHOREVIEW, MINNESOTA

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INTRODUCTORY SECTION

I. INTRODUCTORY SECTION

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May 10, 2013

To the Honorable Mayor,
Members of the City Council,
and Citizens of the City of Shoreview, Minnesota

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended December 31, 2012.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Malloy, Montague, Karnowski, Radosevich & Co., P.A., Certified Public Accountants, have issued an unqualified (“clean”) opinion on the City of Shoreview, Minnesota’s (the City) financial statements for the year ended December 31, 2012. The independent auditor’s report is located at the front of the financial section of this report.

The Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City, incorporated in 1957, is a northern suburb of the Minneapolis/St. Paul metropolitan area, situated in Ramsey County. The City occupies 12.2 square miles and serves a population of 25,118. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

The City operates under the State of Minnesota Statutory Plan B (Council – Manager) form of government. Policy-making and legislative authority are vested in a City Council consisting of the mayor and four other members, all elected on a non-partisan basis. The City Council appoints the government’s manager, who in turn appoints the heads of the various departments. Councilmembers serve four-year terms, with two members elected every two years. The mayor is elected for a two-year term. The mayor and members of the City Council are elected at large.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; recreational and cultural activities; parks and a multi-purpose community center; water, sewer, surface water, and street light systems; community development, building inspection, and planning; and general government operations, including administration, finance/accounting, information systems, community information (newsletter), and general government buildings.

The City Council is required to adopt a budget by late December. The budget is prepared by fund, department (e.g. public safety), and activity (e.g. police). Department heads may transfer resources within an activity. The city manager may transfer resources within any department; however, transfers between departments or between funds require special approval from the City Council.

The City's capital improvement program (covering 5 years), comprehensive infrastructure replacement plan (covering 50 years), and five-year operating plan along with the annual budget serve as the foundation for the City's financial planning and the annual budget serves as the budget control.

Local Economy

Shoreview is home to numerous businesses that are leaders in their respective industries of banking and business systems, manufacturing, medical and computer technologies. A strong business community led by high profile companies such as Cummins Power Generation, Deluxe Corporation, Empi-DJO, PaR Systems, TSI, Wells Fargo and Westinghouse-PaR Nuclear, Hill-Rom and Land O' Lakes, provide the foundation for a healthy economy, diverse economic tax base and major employment for Shoreview and the surrounding area.

Because of its location in a region with a varied economic base, unemployment is relatively stable. During the past 10 years, the unemployment rate has fluctuated from a low of 3.1 percent in 2006 to a high of 6.3 percent in 2009 and 2010 the current rate is 4.6 percent. Unemployment is expected to remain at or below the regional average.

During the past 10 years, general property taxes have increased in amount and as a percentage of total governmental fund revenues, from 40.4 percent in 2003 to 47.1 percent in the current fiscal year, (a 10-year increase of 6.7 percent). Intergovernmental revenues have declined from 11.4 percent in 2003 to 4.8 percent of total revenues in the current fiscal year (a 10-year decrease of 6.6 percent).

During the past 10-year period, governmental fund expenditures related to community development have increased in amount and as a percentage of total current governmental fund expenditures from 4.7 percent in 2003 to 18.0 percent in the current fiscal year (a 10-year increase of 13.3 percent). The increase reflects growth in developer assistance. In addition, charges for services have increased in amount and as a percentage of total revenue from 28.6 percent in 2003 to 29.7 percent in the current fiscal year (a 10-year

increase of 1.1 percent). A significant portion of the increase (71 percent) reflects increased fees for recreation programs, as well as daily admissions and membership fees for the community center.

Long-Term Financial Planning

Total General Fund balance (50.2 percent of total General Fund expenditures) is consistent with policy guidelines set by the City Council for budgetary and planning purposes. The total General Fund balance is made up of a working capital allocation equal to 50 percent of taxes and state aid for 2013 (to accommodate cash flows and the timing for receipt of tax and state aid receipts), and an allocation of 10 percent of 2013 budgeted expenditures for unanticipated events.

The City's 5-year operating plan and capital improvement program along with the comprehensive infrastructure replacement plan (covering 50 years) serve as the foundation for the City's long-term financial planning. To ensure the timely replacement of infrastructure, the City prepares long-term cost projections for the replacement of all city assets. Funding needs for capital replacements are reflected in tax levies for the street renewal and general fixed asset funds, and are reflected in user fees established for water, sewer, surface water, and street light funds. The five-year operating plan covering all operating funds, establishes specific goals for each fund. During 2010 Standard & Poor's raised the City's debt rating one notch from 'AA+' to 'AAA'. This is the first time that a 'AAA' rating has been assigned to the City. The rationale for Standard & Poor's upgrade is based on the City's stable financial operations, continual positive results that have led to very strong reserves, and a "strong" Financial Management Assessment (FMA).

The 'AAA' rating reflects Standard & Poor's assessment of the City's:

- Participation in, and access to, the strong Minneapolis-St. Paul (Twin Cities) metropolitan area, coupled with the City's own steadily growing and diverse employment base;
- Very strong income and wealth characteristics;
- Maintenance of very strong reserves, coupled with conservative and strong financial management policies that include long-range budget and capital plans; and
- Low-to-moderate debt burden.

Projections for the next 20 years indicate that property tax contributions, user fees, and investment income will adequately support scheduled replacements. The impact of replacement costs on the property tax levy is estimated to be 1 percent per year, and user fees are projected to increase between 3 percent and 4 percent annually. The use of revolving funds will result in stable property tax and user fee increases despite fluctuating capital expenditures.

Relevant Financial Policies

Trends of the past decade, changes in state tax law, and recent legislation indicate that the City will have a greater reliance on property taxes as a source of financing for City operations in the future and less reliance on intergovernmental revenues (federal and state) and building permit fees. Changes in state tax law over the past few years have resulted in funding changes for both schools and local governments. The elimination of the homestead and agricultural credit aids (HACA) program, and large cuts in both local government aid and the market value homestead credit (MVHC) programs in previous years resulted in revenue losses to the City. In addition, as the City continues toward full development we anticipate future decreases in building permit revenues.

Major Initiatives

During 2012 significant economic development occurred within the City. A new retail center opened that included a major retailer and several new restaurant options. A new 105 unit senior apartment complex was completed which offers independent living, assisted living and memory care apartments. This expands the type of senior housing services available within Shoreview. Cummins Power Generation relocated their corporate headquarters within the City, and TSI, Inc. and PaR Systems, two major employers expanded their facilities. The City and Economic Development Authority have worked closely with these companies in meeting their expansion goals.


Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2011. This was the twenty-seventh consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the mayor, City Council, and city manager for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Jeanne A. Haapala
Finance Director/Treasurer



Fred W. Espe
Assistant Finance Director

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Shoreview
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morrell

President

Jeffrey R. Emer

Executive Director

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CITY OF SHOREVIEW, MINNESOTA

Principal City Officials

December 31, 2012

City Council

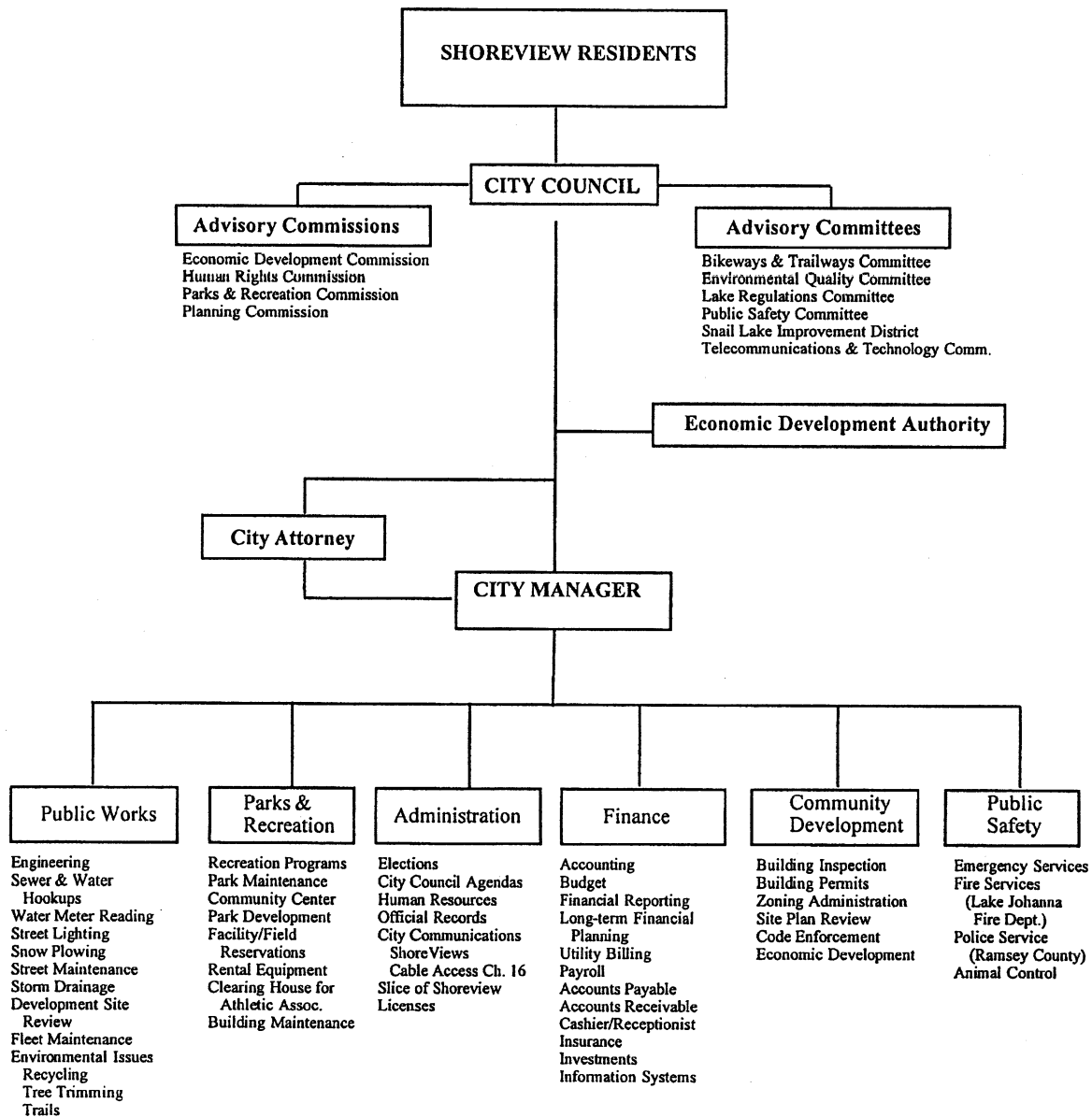
	<u>Term Expires</u>
Mayor Sandy Martin	December 31, 2014
Councilmembers Blake Huffman	December 31, 2012
Terry Quigley	December 31, 2014
Ady Wickstrom	December 31, 2016
Ben Withhart	December 31, 2014

Administrative Staff

	<u>Date of Hire</u>
City Manager Terry Schwerm	June 16, 1993
Assistant City Manager/Community Development Director Thomas C. Simonson	February 19, 1985
Finance Director/Treasurer Jeanne A. Haapala	September 26, 1988
Public Works Director Mark J. Maloney	September 6, 1994

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City Of Shoreview
Organizational Chart
 December 31, 2012



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**FINANCIAL SECTION –
INDEPENDENT AUDITOR’S REPORT AND MD&A**

II. FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Shoreview, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Shoreview, Minnesota (the City) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the respective budgetary comparison information for the General Fund and the major special revenue funds, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, supplementary financial information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining and individual nonmajor fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, supplementary financial information, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Malloy, Montague, Karnowski, Radosevich, & Co., P.A.

Minneapolis, Minnesota
May 10, 2013

Management's Discussion and Analysis

As the management of the City of Shoreview, Minnesota (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii–vii of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$87,071,025 (net position). Of this amount, \$19,782,324 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$1,798,142 as a result of a \$769,831 increase in net position for governmental activities and a \$1,028,311 increase in net position for business-type activities.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,449,091, an increase of \$322,733 in comparison with the prior year. Approximately 23.4 percent of this amount (\$3,844,174) is considered unassigned and available for spending at the City's discretion.
- The unassigned fund balance for the General Fund was \$4,066,796 or 49.3 percent of the total general fund expenditures.
- Total government-wide liabilities decreased by \$2,096,009 which represents a 6.1 percent decrease from 2011.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets and liabilities, and deferred inflows/outflows (as applicable), with the differences reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through use fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation, and community development. The business-type activities of the City include water, sewer, surface water management, and street light services.

The government-wide financial statements can be found on pages 21-23 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains seven individual major governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Community Center Operation Fund, Recreation Programs Fund, Municipal State Aid Fund, Street Renewal Fund, General Fixed Asset Replacement Fund, and Capital Improvement Fund, which are considered to be major funds.

Data from all other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 24-28 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer, surface water management, and street light operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central garage, short-term disability insurance, and liability claims functions. Because each of these services predominantly benefits governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, surface water management, and street light operations, which are considered to be major funds of the City. Conversely, all three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 29-31 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's only fiduciary funds are agency funds.

The agency fund Statement of Assets and Liabilities can be found on page 32 of this report.

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 33-68 of this report.

Other information. The City adopts an annual appropriated budget for its General Fund and special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with their respective budgets. For the General Fund and major special revenue funds these schedules are presented as required supplementary information following the Notes to Financial Statements, while budgetary schedules for nonmajor special revenue funds are included within the Combining and Individual Nonmajor Funds Statements and Schedules section of this report. The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information on budgeted comparisons. Combining and individual fund statements and schedules can be found on pages 80-117 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$87,071,025 at the close of the most recent fiscal year.

By far the largest portion of the City's net position (\$61,740,728 or 71 percent) reflects its investment in capital assets (e.g. infrastructure, land, buildings, and machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Shoreview's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 19,874,404	\$ 18,798,469	\$ 7,772,799	\$ 7,888,382	\$ 27,647,203	\$ 26,686,851
Capital assets	61,220,639	62,517,960	30,536,771	30,497,669	91,757,410	93,015,629
Total assets	<u>\$ 81,095,043</u>	<u>\$ 81,316,429</u>	<u>\$ 38,309,570</u>	<u>\$ 38,386,051</u>	<u>\$ 119,404,613</u>	<u>\$ 119,702,480</u>
Long-term liabilities outstanding	\$ 19,662,922	\$ 21,312,347	\$ 8,275,227	\$ 9,063,411	\$ 27,938,149	\$ 30,375,758
Other liabilities	3,315,415	2,657,207	1,080,024	1,396,632	4,395,439	4,053,839
Total liabilities	<u>\$ 22,978,337</u>	<u>\$ 23,969,554</u>	<u>\$ 9,355,251</u>	<u>\$ 10,460,043</u>	<u>\$ 32,333,588</u>	<u>\$ 34,429,597</u>
Net position						
Net investment in capital assets	\$ 40,154,929	\$ 40,029,233	\$ 21,585,799	\$ 20,704,816	\$ 61,740,728	\$ 60,734,049
Restricted	5,364,477	6,440,702	183,496	246,811	5,547,973	6,687,513
Unrestricted	<u>12,597,300</u>	<u>10,876,940</u>	<u>7,185,024</u>	<u>6,974,381</u>	<u>19,782,324</u>	<u>17,851,321</u>
Total net position	<u>\$ 58,116,706</u>	<u>\$ 57,346,875</u>	<u>\$ 28,954,319</u>	<u>\$ 27,926,008</u>	<u>\$ 87,071,025</u>	<u>\$ 85,272,883</u>

An additional portion of the City's net position (\$5,547,973 or 6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$19,782,324 or 23 percent) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The net position of the City as a whole increased \$1,798,142 (2.1 percent) from \$85,272,883 at December 31, 2011 to \$87,071,025 at December 31, 2012. Governmental activities increased \$769,831 (1.3 percent) over the prior year while the business-type activities increased \$1,028,311 (3.7 percent) during the same period.

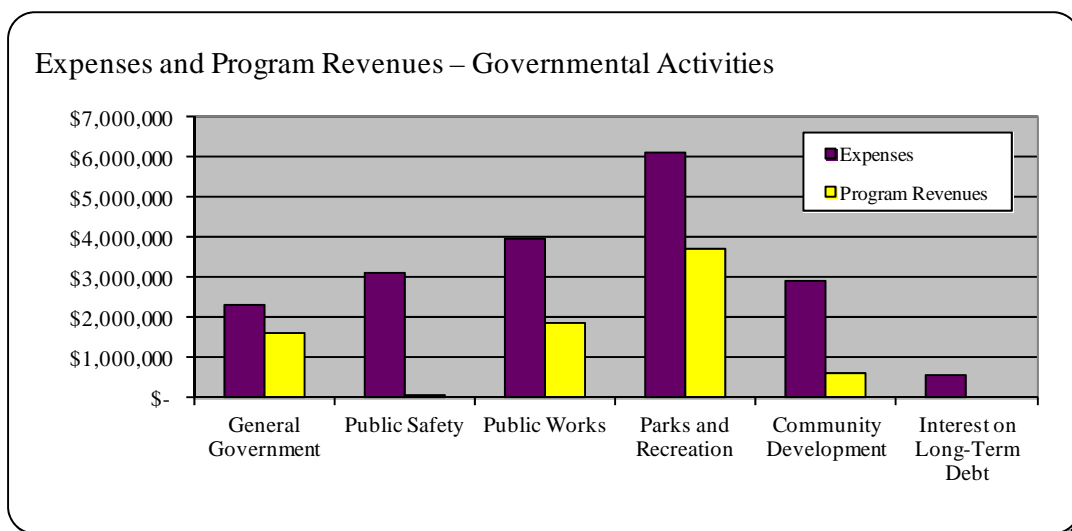
Governmental activities. Governmental activities increased the City's net position by \$769,831, thereby accounting for 43 percent of the total growth in net position. Key elements of this increase are as follows:

City of Shoreview's Changes in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program revenues						
Charges for services	\$ 6,712,235	\$ 6,502,435	\$ 8,090,622	\$ 7,108,090	\$ 14,802,857	\$ 13,610,525
Operating grants and contributions	320,347	311,246	—	—	320,347	311,246
Capital grants and contributions	852,396	1,145,697	109,985	27,878	962,381	1,173,575
General revenues						
Property taxes	9,243,083	8,911,670	—	—	9,243,083	8,911,670
Tax increment collections	1,980,051	2,035,627	—	—	1,980,051	2,035,627
Grants and contributions not restricted to specific programs	33,369	41,851	—	—	33,369	41,851
Unrestricted investment earnings	231,716	374,378	71,631	163,758	303,347	538,136
Gain on disposal of capital assets	26,561	64,709	—	—	26,561	64,709
Total revenues	<u>19,399,758</u>	<u>19,387,613</u>	<u>8,272,238</u>	<u>7,299,726</u>	<u>27,671,996</u>	<u>26,687,339</u>
Expenses						
General government	2,349,276	2,227,952	—	—	2,349,276	2,227,952
Public safety	3,113,032	2,783,332	—	—	3,113,032	2,783,332
Public works	3,998,390	3,909,642	—	—	3,998,390	3,909,642
Parks and recreation	6,128,769	6,169,365	—	—	6,128,769	6,169,365
Community development	2,904,944	1,398,228	—	—	2,904,944	1,398,228
Interest on long-term debt	595,009	911,854	—	—	595,009	911,854
Water	—	—	2,206,516	2,281,299	2,206,516	2,281,299
Sewer	—	—	3,283,498	3,315,044	3,283,498	3,315,044
Surface water management	—	—	1,019,008	966,638	1,019,008	966,638
Street lights	—	—	275,412	318,063	275,412	318,063
Total expenses	<u>19,089,420</u>	<u>17,400,373</u>	<u>6,784,434</u>	<u>6,881,044</u>	<u>25,873,854</u>	<u>24,281,417</u>
Increase (decrease) in net position before transfers	310,338	1,987,240	1,487,804	418,682	1,798,142	2,405,922
Transfers	<u>459,493</u>	<u>504,319</u>	<u>(459,493)</u>	<u>(504,319)</u>	<u>—</u>	<u>—</u>
Increase (decrease) in net position	769,831	2,491,559	1,028,311	(85,637)	1,798,142	2,405,922
Net position – January 1	<u>57,346,875</u>	<u>54,855,316</u>	<u>27,926,008</u>	<u>28,011,645</u>	<u>85,272,883</u>	<u>82,866,961</u>
Net position – December 31	<u>\$ 58,116,706</u>	<u>\$ 57,346,875</u>	<u>\$ 28,954,319</u>	<u>\$ 27,926,008</u>	<u>\$ 87,071,025</u>	<u>\$ 85,272,883</u>

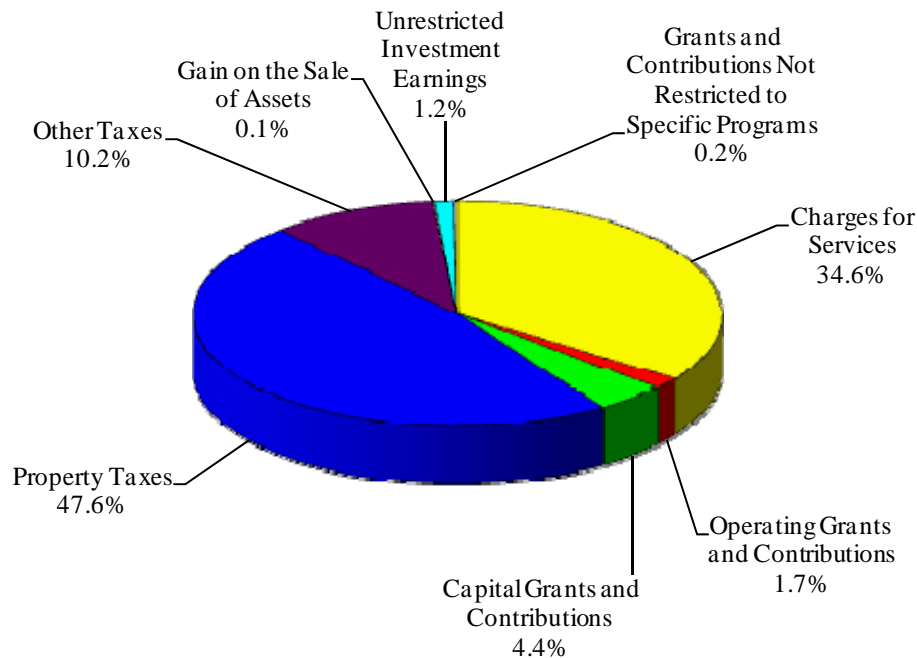
- Charges for services for governmental activities increased \$209,800 (3.2 percent) during the year. Significant changes from 2011 to 2012 include an \$87,294 (11.8 percent) increase in public works charges and a \$132,549 (27.7 percent) increase in community development charges. The public works increase was due mainly to increases in recycling revenue (\$24,841), in house engineering charges as a result of increased City construction activity (\$39,732), and increased tree removal revenue (\$24,998). Increases in community development charges are a result of increased building permit revenue (\$117,231). Revenues for general government, public safety and parks and recreation were consistent with prior years in both amounts and types of revenue.
- Operating grants and contributions remained consistent with prior years in both amounts and types of grants and contributions.

- Capital grants and contributions for governmental activities decreased \$293,301 (25.6 percent) during the year. The majority of this decrease is due to contributed streets assets from Ramsey County and a townhome association (\$261,240) in 2011, there were no contributed capital assets in 2012. Special assessment revenue decreased \$122,980 due mainly to a decrease in the amount of newly adopted assessments.
- Property taxes for governmental activities increased by \$331,413 (3.7 percent) during the year, primarily due to net levy increases for the General Fund, Debt Service, Street Renewal, General Fixed Asset Replacement, Capital Improvement and Special Revenue funds.
- Tax increment collections for governmental activities decreased by \$55,576 (2.7 percent). This decrease is primarily due to a scheduled decertification of TIF District #3 on December 31, 2011.
- Investment earnings decreased by \$142,662 (38.1 percent) during the year due to year-end adjustments to fair market value and lower interest rates.
- Public safety expenses increased by \$329,700 (11.8 percent) during the year. The police and fire operating contracts increased by \$156,674. Contributions to the fire department for the City's contractual share of fire department capital costs increased by \$179,584.
- Community development expenses increased by \$1,506,716 (107.8 percent) during the year. A significant portion of the increase (\$1,715,612) is a result of one-time developer assistance payments. The City makes pay as you go tax increment financing note payments to various properties within the City; note payments decreased \$182,579 in 2012 due to the decertification of TIF District #3 in 2011. All other 2012 developer assistance payments were consistent with 2011.

The following two graphs provide comparisons of the governmental activities revenues and expenses.



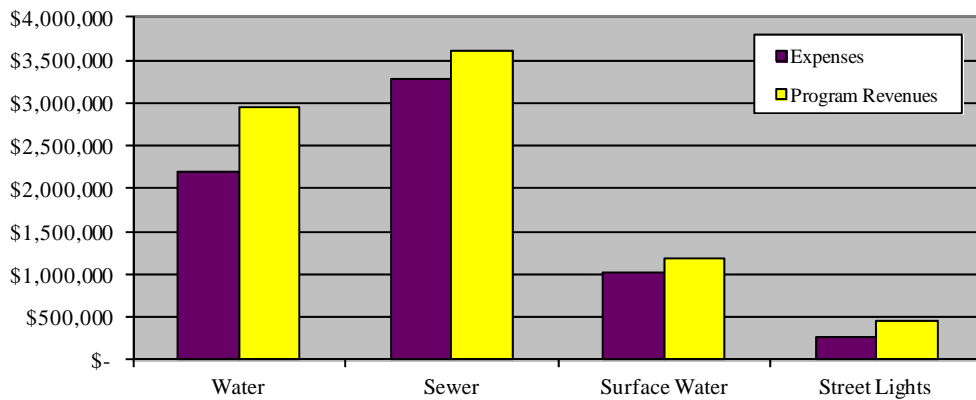
Governmental Activities – Revenues



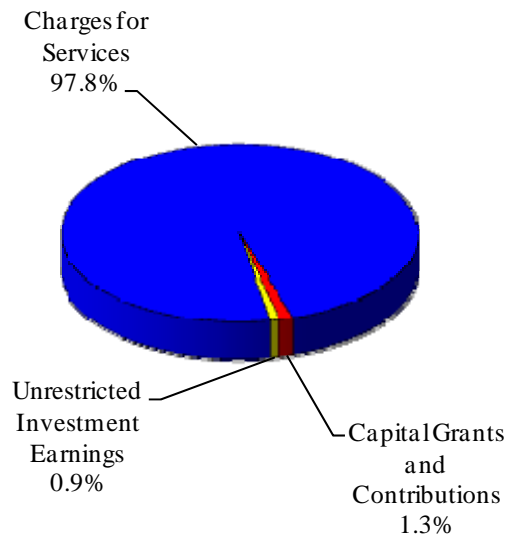
Business-type activities. Business-type activities increased the City's net position by \$1,028,311. Key elements of this increase are as follows:

- Charges for services for business-type activities increased \$982,532 (13.8 percent). Water operations increased \$731,883 (33.5 percent), this increase was due to a water rate increase of 12.1 percent for the average residential customer, a 14.5 percent increase in the gallons of water sold during the year and adjusting the City's tiered rate structure from three to four tiers. Sewer operations increased \$20,452 (.6 percent), rates remained unchanged in 2012 and winter residential water consumption increased .5 percent, which provides the basis for residential sewer charges. Surface Water operations had an increase of \$139,388 (13.8 percent), due to a 10 percent rate increase, which resulted in a quarterly increase of \$1.60 per residential unit. Street Light operations had an increase of \$90,809 (24.8 percent), due to the impact of a street light rate increase of 25 percent, which resulted in a quarterly increase of \$1.82 per residential unit.
- Capital grants and contributions during the year produced \$109,985 in revenue for business-type activities. This consists of intergovernmental capital grants (\$47,760), and contributions from property owners (\$62,225).
- Expenses for business-type activities decreased \$96,610 (1.4 percent). Sewer treatment costs account for \$65,241 of the decrease. Interest and paying agent fees accounted for \$28,194 of the decrease.

Expenses and Program Revenues – Business-Type Activities



Business-Type Activities – Revenues



Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$16,449,091, an increase of \$322,733 in comparison with the prior year. Approximately 23 percent of this amount (\$3,844,174) constitutes unassigned fund balance which is available for spending at the government's discretion. The remainder of fund balance is

classified as non-spendable in the form of prepaid items, restricted, committed or assigned for specific activities and projects. These amounts are not available for new spending because they are restricted by externally imposed constraints or committed and assigned through internally imposed constraints.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,066,796. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned General Fund balance represents 49.3 percent of total General Fund expenditures, while total fund balance represents 50.2 percent of that same amount.

The City's General Fund balance policy establishes a minimum and maximum unassigned fund balance based on the following key factors:

- The unassigned fund balance for working capital needs is equal to 50 percent of the ensuing years General Fund tax levy and levy-based state aids, because taxes and state aids are received in June and December of each year. The working capital allocation is reduced by the balance of nonspendable items at year-end. Budgeted taxes in 2013 are \$172,507 more than in 2012; consequently, the unassigned General Fund balance for working capital increases \$86,254 at the end of the current period. As of year-end the City has met its minimum unassigned working capital balance.
- The maximum unassigned fund balance for unanticipated expenditures at year-end is equal to 10 percent of budgeted ensuing year's expenditures. Ensuing year budgeted expenditures are \$8,662,249 which results in an unassigned fund balance for unanticipated expenditures of \$866,225. As of year-end the City has met its maximum unassigned unanticipated expenditure fund balance.
- The maximum unassigned fund balance is equal to the combined unassigned working capital and unanticipated expenditure fund balances less any nonspendable items. The total for the current fiscal year is \$4,066,796 as compared to \$3,958,458 for the previous year, an increase of \$108,338.

The Community Center Operation Fund balance increased \$161,049. Annual membership revenue increased \$32,154 and daily pass revenue decreased \$42,930, the decrease in daily revenue was a result of a warmer than usual late winter and spring weather; and two unexpected pool closures.

The Recreation Programs Fund balance increased \$103,434. Program revenue increased \$37,749; the majority of the increase (\$26,452) was a result of a summer child care program. Expenditures increased \$63,599; the majority of this increase was a result of personal services (\$52,208).

Fund balances for the Municipal State Aid, Street Renewal and General Fixed Asset Replacement Funds are designed to fluctuate between years depending on the type of operating repairs and capital costs in any given year. Revenues of the Street Renewal and General Fixed Asset Replacement Funds are designed to change gradually from one year to the next, providing a stable revenue stream to support repair and replacement costs that vary due to type, size, and scope. The fund balance of the Municipal State Aid Fund increased \$638,834 due to the receipt of state funds for street construction costs for the current year allotment. Fund balance decreased

\$147,255 in the Street Renewal Fund. Expenditures in the Street Renewal Fund consisted primarily of public works seal coating repairs. Transfers out in the Street Renewal Fund represent the fund's share of costs for the Cottage Place and Demar/Floral street rehabilitation projects. Fund balance increased \$278,189 in the General Fixed Asset Replacement Fund. Significant expenditures in 2012 included the City's capital contribution in the amount of \$321,358 to the Lake Johanna Fire Department, trail seal coating costs and miscellaneous trail repairs in the amount of \$58,470, various community center and park and recreation repairs and supplies in the amount of \$301,731, community center capital expenditures in the amount of \$117,916, office furniture replacement in the amount of \$18,078, and park improvements in the amount of \$8,705. Transfers out in the General Fixed Asset Replacement Fund represent the fund's share of costs for the 2002 Certificates of Participation, and computer acquisitions. In accordance with the General Fund, fund balance policy, a transfer was made into the General Fixed Asset Replacement Fund to fund future fixed asset replacements. Revenues for the Municipal State Aid, Street Renewal and General Fixed Asset Replacement Funds were consistent with prior years.

The Capital Improvement Fund balance increased \$238,073. Capital expenditures include the Guerin gas station restoration, community center improvements and various park improvements. Operating expenditures include marketing costs for the Community Center. Transfers out in the Capital Improvement Fund represent the fund's share of costs for the 2002 Certificates of Participation and computer acquisitions. Revenue for the Capital Improvement Fund was consistent with prior years.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position in the respective proprietary funds include \$3,499,957 for water, \$2,743,776 for sewer, \$627,633 for surface water management, and \$254,555 for street lights. Water Fund net position increased \$552,048 primarily due to a rate increase, restructuring of the City's billing tiers, and increased summer irrigation. Sewer Fund net position increased \$157,316; the sewer fund did not have a rate increase in 2012, a significant portion of the net position increase was a result of decreased MCES sewer treatment charges. Surface Water Fund net position increased \$129,781 primarily due to a rate increase. The Street Lights Fund net position increased \$191,698 primarily as a result of a rate increase.

General Fund Budgetary Highlights

Total General Fund revenues were \$282,321 more than estimated in the budget. Property taxes were under budget by \$92,091. Licenses and permits surpassed anticipated levels by \$248,005 primarily due to building permits, charges for services surpassed anticipated levels by \$97,638, primarily as a result of in-house engineering charges and plan check fees.

Total General Fund expenditures were below budget by \$84,306. Within the general government department information systems current expenditures were under budget by \$48,466, and capital outlay was over budget by \$26,533, due to a reclassification of wages from current to capital outlay for internally developed software. Communications current expenditures were under budget due to a position vacancy during a portion of the year, capital outlay is over budget due to unbudgeted software expenditures. The community development department planning and zoning administration current expenditures were under budget due to a position vacancy during the year. Building inspection current expenditures were over budget as

a result of electrical inspection contractual fees. The unbudgeted transfer to the General Fixed Asset Replacement Fund (\$207,403) was made in accordance with the City's fund balance policy regarding excess fund balance in the General Fund.

Capital Assets and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2012 amounts to \$91,757,410 (net of accumulated depreciation). This investment in capital assets includes land, buildings and structures, machinery and equipment, distribution and collection systems, park facilities, roads, trails and sidewalks, and pedestrian tunnels and bridges. The total decrease in the City's investment in capital assets for the current fiscal year was 1.4 percent (a 2.1 percent decrease for governmental activities and a .1 percent increase for business-type activities).

City of Shoreview's Capital Assets (Net of Depreciation)						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 7,724,345	\$ 7,724,345	\$ 304,202	\$ 304,202	\$ 8,028,547	\$ 8,028,547
Buildings and structures	24,700,903	25,425,122	4,961,126	4,922,249	29,662,029	30,347,371
Machinery and equipment	4,028,203	3,797,385	2,170,872	2,268,476	6,199,075	6,065,861
Distribution and collection systems	—	—	22,109,355	22,324,450	22,109,355	22,324,450
Infrastructure	23,707,101	24,002,276	—	—	23,707,101	24,002,276
Construction in progress	1,060,087	1,568,832	991,216	678,292	2,051,303	2,247,124
Total	<u>\$ 61,220,639</u>	<u>\$ 62,517,960</u>	<u>\$ 30,536,771</u>	<u>\$ 30,497,669</u>	<u>\$ 91,757,410</u>	<u>\$ 93,015,629</u>

Major capital asset events during the current fiscal year included the following:

- A variety of capital assets for governmental activities were completed at a cumulative cost of \$2,264,638. Construction in progress at year-end for governmental activities is \$1,060,087.
- Various capital assets for business-type activities were completed at a cumulative cost of \$922,141. Construction in progress for business-type activities as of the end of the current fiscal year is \$991,216.

Additional information on the City's capital assets can be found in Note 5 of the notes to financial statements.

Long-term debt. At the end of the current fiscal year, the City had total bonded debt outstanding of \$19,725,000, a decrease of \$2,095,000 from 2011. The entire bonded debt amount is backed by the full faith and credit of the City. An additional \$4,330,000 of outstanding certificates of participation financed building improvements and a \$6,000,000 loan payable financed land acquisition. The remaining liability is for compensated absences totaling \$341,292.

City of Shoreview's Outstanding Debt
General Obligation, Revenue Bonds, Long-Term Notes, Loans, and Compensated Absences

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation improvement bonds	\$ 1,065,000	\$ 1,350,000	\$ –	\$ –	\$ 1,065,000	\$ 1,350,000
General obligation tax increment bonds	1,320,000	1,830,000	–	–	1,320,000	1,830,000
General obligation bonds	8,355,000	8,705,000	–	–	8,355,000	8,705,000
General obligation revenue bonds	–	–	8,985,000	9,935,000	8,985,000	9,935,000
Certificates of participation	4,330,000	4,620,000	–	–	4,330,000	4,620,000
Loans payable	6,000,000	6,000,000	–	–	6,000,000	6,000,000
Compensated absences	262,231	254,920	79,061	82,479	341,292	337,399
Total	<u>\$ 21,332,231</u>	<u>\$ 22,759,920</u>	<u>\$ 9,064,061</u>	<u>\$ 10,017,479</u>	<u>\$ 30,396,292</u>	<u>\$ 32,777,399</u>

The City maintains a bond rating from Standard & Poor's Financial Services, LLC of AAA for general obligation debt.

State statutes limit the amount of general obligation debt a Minnesota city may issue to 3 percent of total estimated market value. The current debt limitation for the City is \$77,057,004. The City's net debt applicable to this limit totals \$11,798,714.

Additional information on the City's long-term debt can be found in Note 6 of the notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

- The annual average unemployment rate (not seasonally adjusted) for the City is currently 4.6 percent, which compares favorably to 5.6 percent unemployment for the state of Minnesota, and 8.1 percent unemployment nationally.
- The current property tax collection rate for the current period is 99.0 percent.
- Building permit activity in the current period resulted in permit valuation equal to \$29.9 million. New residential and commercial construction accounted for 50 percent of building permit values. Reinvestment in homes through improvements to property by homeowners accounted for 20 percent of building permit values, and commercial property accounted for the remaining 30 percent of building permit values.
- The 2013 adopted levy supports the 2013 budget.

All of these factors were considered in preparing the City's budget for the 2013 fiscal year.

Water, sewer, surface water management, and street light rates were increased for the 2013 budget year. The increase for the average customers was 3.1 percent for water, 6.0 percent for sewer, 10.0 percent for surface water management, and 3.9 percent for street lights. The total impact on the average residential customer is estimated to be 5.4 percent. These rate increases were necessary to support operating costs, capital costs, and debt repayment.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 4600 Victoria Street North, Shoreview, Minnesota 55126.

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**FINANCIAL SECTION –
BASIC FINANCIAL STATEMENTS**

BASIC FINANCIAL STATEMENTS

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CITY OF SHOREVIEW, MINNESOTA

Statement of Net Position

December 31, 2012

Statement 1

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 18,663,600	\$ 5,610,156	\$ 24,273,756
Accrued interest receivable	61,625	19,758	81,383
Accounts receivable	122,821	1,966,418	2,089,239
Deposit receivable	1,445	—	1,445
Loan receivable	108,806	—	108,806
Taxes receivable	240,817	—	240,817
Special assessments receivable	565,904	62,566	628,470
Internal balances	(59,103)	59,103	—
Due from other governmental units	87,952	45,562	133,514
Prepaid items	80,537	9,236	89,773
Capital assets			
Nondepreciable	8,784,432	1,295,418	10,079,850
Depreciable (net of accumulated depreciation)	52,436,207	29,241,353	81,677,560
Total assets	<u>81,095,043</u>	<u>38,309,570</u>	<u>119,404,613</u>
Liabilities			
Accounts payable	181,831	78,531	260,362
Salaries payable	112,150	26,923	139,073
Contracts payable	6,562	25,600	32,162
Accrued bond interest payable	226,005	138,493	364,498
Deposits payable	277,879	6,757	284,636
Due to other governmental units	57,827	14,886	72,713
Unearned revenue	783,852	—	783,852
Compensated absences payable			
Due within one year	29,309	8,834	38,143
Due in more than one year	232,922	70,227	303,149
Loan payable			
Due in more than one year	6,000,000	—	6,000,000
Certificates of participation payable			
Due within one year	345,000	—	345,000
Due in more than one year	3,985,000	—	3,985,000
Bonds payable			
Due within one year	1,295,000	780,000	2,075,000
Due in more than one year	9,445,000	8,205,000	17,650,000
Total liabilities	<u>22,978,337</u>	<u>9,355,251</u>	<u>32,333,588</u>
Net position			
Net investment in capital assets	40,154,929	21,585,799	61,740,728
Restricted for			
Business loan program	165,777	—	165,777
Cable television	92,886	—	92,886
Debt service	1,659,255	—	1,659,255
Economic development	23,830	—	23,830
Housing and redevelopment	61,285	—	61,285
Recycling	161,791	—	161,791
Trunk facility	—	183,496	183,496
Tax increment purposes	3,199,653	—	3,199,653
Unrestricted	12,597,300	7,185,024	19,782,324
Total net position	<u>\$ 58,116,706</u>	<u>\$ 28,954,319</u>	<u>\$ 87,071,025</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA
Statement of Activities
For The Year Ended December 31, 2012

Statement 2

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Functions/programs							
Primary government							
Governmental activities							
General government	\$ 2,349,276	\$ 1,549,907	\$ 68,978	\$ –	\$ (730,391)	\$ –	\$ (730,391)
Public safety	3,113,032	70,304	–	–	(3,042,728)	–	(3,042,728)
Public works	3,998,390	828,857	229,589	818,096	(2,121,848)	–	(2,121,848)
Parks and recreation	6,128,769	3,651,544	21,780	34,300	(2,421,145)	–	(2,421,145)
Community development	2,904,944	611,623	–	–	(2,293,321)	–	(2,293,321)
Interest on long-term debt	595,009	–	–	–	(595,009)	–	(595,009)
Total governmental activities	19,089,420	6,712,235	320,347	852,396	(11,204,442)	–	(11,204,442)
Business-type activities							
Water	2,206,516	2,918,022	–	45,021	–	756,527	756,527
Sewer	3,283,498	3,568,777	–	35,584	–	320,863	320,863
Surface water	1,019,008	1,147,539	–	29,380	–	157,911	157,911
Street lights	275,412	456,284	–	–	–	180,872	180,872
Total business-type activities	6,784,434	8,090,622	–	109,985	–	1,416,173	1,416,173
Total primary government	<u>\$ 25,873,854</u>	<u>\$ 14,802,857</u>	<u>\$ 320,347</u>	<u>\$ 962,381</u>	<u>(11,204,442)</u>	<u>1,416,173</u>	<u>(9,788,269)</u>
General revenues							
Property taxes					9,243,083	–	9,243,083
Tax increment collections					1,980,051	–	1,980,051
Grants and contributions not							
restricted to specific programs					33,369	–	33,369
Unrestricted investment earnings					231,716	71,631	303,347
Gain on disposal of capital assets					26,561	–	26,561
Transfers					459,493	(459,493)	–
Total general revenues and transfers					11,974,273	(387,862)	11,586,411
Change in net position					769,831	1,028,311	1,798,142
Net position – beginning					57,346,875	27,926,008	85,272,883
Net position – ending					<u>\$ 58,116,706</u>	<u>\$ 28,954,319</u>	<u>\$ 87,071,025</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Balance Sheet
Governmental Funds
December 31, 2012

Statement 3

	General	Community Center Operation	Recreation Programs	Municipal State Aid	Street Renewal	General Fixed Asset Replacement	Capital Improvement	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
Assets										
Cash and investments	\$ 4,255,300	\$ 1,153,549	\$ 653,728	\$ 1,755,442	\$ 2,214,406	\$ 745,491	\$ 799,963	\$ 5,701,309	\$ —	\$ 17,279,188
Accrued interest receivable	13,048	3,894	2,316	5,198	8,937	918	2,333	21,048	—	57,692
Accounts receivable (net of allowance for uncollectibles)	39,199	3,880	130	—	—	978	887	77,147	—	122,221
Deposits receivable	—	1,445	—	—	—	—	—	—	—	1,445
Loan receivable	—	—	—	—	—	—	—	108,806	—	108,806
Taxes receivable	149,519	—	—	—	18,308	27,598	2,504	38,441	—	236,370
Special assessments receivable	—	—	—	1,734	39,323	—	—	524,847	—	565,904
Interfund receivable	—	—	—	—	—	—	—	222,690	(222,690)	—
Due from other governmental units	35,954	—	2,172	—	—	—	—	13,859	—	51,985
Prepaid items	69,213	3,643	4,855	—	—	—	—	182	—	77,893
Total assets	<u>\$ 4,562,233</u>	<u>\$ 1,166,411</u>	<u>\$ 663,201</u>	<u>\$ 1,762,374</u>	<u>\$ 2,280,974</u>	<u>\$ 774,985</u>	<u>\$ 805,687</u>	<u>\$ 6,708,329</u>	<u>\$ (222,690)</u>	<u>\$ 18,501,504</u>
Liabilities and Fund Balances										
Liabilities										
Accounts payable	\$ 36,577	\$ 68,694	\$ 3,230	\$ —	\$ —	\$ —	\$ 10,466	\$ 47,279	\$ —	\$ 166,246
Salaries payable	65,313	30,248	10,792	—	—	—	—	1,983	—	108,336
Contracts payable	—	—	—	—	—	6,562	—	—	—	6,562
Deposits payable	199,978	77,901	—	—	—	—	—	—	—	277,879
Interfund payable	—	—	—	—	—	—	—	222,690	(222,690)	—
Due to other governmental units	57,055	232	540	—	—	—	—	—	—	57,827
Deferred revenue	67,301	—	—	700,708	45,966	10,378	74,995	536,215	—	1,435,563
Total liabilities	<u>426,224</u>	<u>177,075</u>	<u>14,562</u>	<u>700,708</u>	<u>45,966</u>	<u>16,940</u>	<u>85,461</u>	<u>808,167</u>	<u>(222,690)</u>	<u>2,052,413</u>
Fund balances										
Nonspendable	69,213	3,643	4,855	—	—	—	—	182	—	77,893
Restricted	—	—	—	—	—	—	—	5,105,880	—	5,105,880
Committed	—	985,693	643,784	—	2,235,008	758,045	720,226	219,794	—	5,562,550
Assigned	—	—	—	1,061,666	—	—	—	796,928	—	1,858,594
Unassigned	4,066,796	—	—	—	—	—	—	(222,622)	—	3,844,174
Total fund balances	<u>4,136,009</u>	<u>989,336</u>	<u>648,639</u>	<u>1,061,666</u>	<u>2,235,008</u>	<u>758,045</u>	<u>720,226</u>	<u>5,900,162</u>	<u>—</u>	<u>16,449,091</u>
Total liabilities and fund balances	<u>\$ 4,562,233</u>	<u>\$ 1,166,411</u>	<u>\$ 663,201</u>	<u>\$ 1,762,374</u>	<u>\$ 2,280,974</u>	<u>\$ 774,985</u>	<u>\$ 805,687</u>	<u>\$ 6,708,329</u>	<u>\$ (222,690)</u>	<u>\$ 18,501,504</u>
Fund balance reported above										\$ 16,449,091
Amounts reported for governmental activities in the Statement of Net Position are different because:										
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.										52,784,985
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.										651,711
Internal service funds are used by management to charge costs to individual funds.										
The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.										4,166,603
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.										(15,935,684)
Net position of governmental activities										<u>\$ 58,116,706</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For The Year Ended December 31, 2012

Statement 4

	General	Community Center Operation	Recreation Programs	Municipal State Aid	Street Renewal	General Fixed Asset Replacement	Capital Improvement	Other Governmental Funds	Intra- Activity Eliminations	Total Governmental Funds
Revenues										
Taxes										
General property taxes	\$ 6,374,969	\$ —	\$ —	\$ —	\$ 787,870	\$ 1,181,598	\$ 108,352	\$ 558,545	\$ —	\$ 9,011,334
Tax increments	—	—	—	—	—	—	—	1,980,051	—	1,980,051
Special assessments	—	—	—	932	7,966	—	265	171,872	—	181,035
Licenses and permits	540,755	—	—	—	—	—	—	—	—	540,755
Intergovernmental	187,149	—	—	657,850	—	—	—	68,124	—	913,123
Charges for services	1,262,088	2,298,345	1,340,831	—	—	—	—	781,052	—	5,682,316
Fines and forfeits	67,000	—	—	—	—	—	—	—	—	67,000
Earnings on investments	47,253	14,100	8,388	18,827	32,364	3,325	8,451	84,006	—	216,714
Payments in lieu of taxes	—	—	—	—	—	—	110,000	—	—	110,000
Antenna rental fees	—	—	—	—	—	—	246,611	—	—	246,611
Other	52,529	60	972	—	—	7,388	80,745	56,290	—	197,984
Total revenues	<u>8,531,743</u>	<u>2,312,505</u>	<u>1,350,191</u>	<u>677,609</u>	<u>828,200</u>	<u>1,192,311</u>	<u>554,424</u>	<u>3,699,940</u>	<u>—</u>	<u>19,146,923</u>
Expenditures										
Current										
General government	1,956,537	—	—	—	—	—	—	249,430	—	2,205,967
Public safety	2,706,424	—	—	—	—	321,358	—	—	—	3,027,782
Public works	1,389,113	—	—	—	358,195	58,470	—	530,157	—	2,335,935
Parks and recreation	1,594,152	2,445,729	1,236,757	—	—	301,731	41,698	—	—	5,620,067
Community development	517,777	—	—	—	—	—	—	2,385,583	—	2,903,360
Capital outlay										
General government	81,313	—	—	—	—	—	—	113,447	—	194,760
Public works	—	—	—	—	—	—	—	927,921	—	927,921
Parks and recreation	—	5,727	—	—	—	144,699	89,128	—	—	239,554
Debt service										
Principal	—	—	—	—	—	—	—	1,335,000	—	1,335,000
Interest and paying agent fees	—	—	—	—	—	—	—	407,823	—	407,823
Total expenditures	<u>8,245,316</u>	<u>2,451,456</u>	<u>1,236,757</u>	<u>—</u>	<u>358,195</u>	<u>826,258</u>	<u>130,826</u>	<u>5,949,361</u>	<u>—</u>	<u>19,198,169</u>
Revenues over (under) expenditures	<u>286,427</u>	<u>(138,951)</u>	<u>113,434</u>	<u>677,609</u>	<u>470,005</u>	<u>366,053</u>	<u>423,598</u>	<u>(2,249,421)</u>	<u>—</u>	<u>(51,246)</u>
Other financing sources (uses)										
Sale of capital assets	—	—	—	—	—	250	—	—	—	250
Transfers in	481,000	300,000	65,000	—	6,276	207,403	—	1,986,908	(2,672,858)	373,729
Transfers out	(607,830)	—	(75,000)	(38,775)	(623,536)	(295,517)	(185,561)	(846,639)	2,672,858	—
Total other financing sources (uses)	<u>(126,830)</u>	<u>300,000</u>	<u>(10,000)</u>	<u>(38,775)</u>	<u>(617,260)</u>	<u>(87,864)</u>	<u>(185,561)</u>	<u>1,140,269</u>	<u>—</u>	<u>373,979</u>
Net change in fund balances	<u>159,597</u>	<u>161,049</u>	<u>103,434</u>	<u>638,834</u>	<u>(147,255)</u>	<u>278,189</u>	<u>238,037</u>	<u>(1,109,152)</u>	<u>—</u>	<u>322,733</u>
Fund balances – January 1	<u>3,976,412</u>	<u>828,287</u>	<u>545,205</u>	<u>422,832</u>	<u>2,382,263</u>	<u>479,856</u>	<u>482,189</u>	<u>7,009,314</u>	<u>—</u>	<u>16,126,358</u>
Fund balances – December 31	<u>\$ 4,136,009</u>	<u>\$ 989,336</u>	<u>\$ 648,639</u>	<u>\$ 1,061,666</u>	<u>\$ 2,235,008</u>	<u>\$ 758,045</u>	<u>\$ 720,226</u>	<u>\$ 5,900,162</u>	<u>\$ —</u>	<u>\$ 16,449,091</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For The Year Ended December 31, 2012

Statement 5

Amounts reported for governmental activities in the Statement of Activities are
different because:

Net changes in fund balances – total governmental funds.	\$ 322,733
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital additions in the current period.	(974,824)
The Statement of Activities reports gains and losses arising from the trade-in or disposal of existing assets to acquire new capital assets. Conversely, governmental funds simply report proceeds on sale of capital assets.	(36,885)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(118,858)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas material amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,335,000
The transfer out of governmental capital assets contributed to enterprise funds.	(91,107)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	52,322
Internal service funds are used by management to charge costs to individual funds. This amount is the portion of net revenue attributable to and reported with governmental activities.	281,450
Change in net position of governmental activities.	<u>\$ 769,831</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Statement of Net Position

Proprietary Funds

December 31, 2012

Statement 6

	Business-Type Activities – Enterprise Funds				Governmental Activities – Internal Service Funds
	Water	Sewer	Surface Water	Street Lights	Totals Current Year
Assets					
Current assets					
Cash and investments	\$ 3,023,577	\$ 2,029,363	\$ 367,602	\$ 189,614	\$ 5,610,156
Accrued interest receivable	9,676	6,885	2,337	860	19,758
Accounts receivable					
Customers	605,317	822,217	266,784	69,935	1,764,253
Customer accounts certified to county	57,659	110,563	23,338	10,605	202,165
Taxes receivable	–	–	–	–	–
Due from other governmental units	5,493	6,484	33,279	306	45,562
Prepaid items	4,072	2,855	2,198	111	9,236
Total current assets	<u>3,705,794</u>	<u>2,978,367</u>	<u>695,538</u>	<u>271,431</u>	<u>7,651,130</u>
Noncurrent assets					
Special assessments receivable	29,659	26,771	5,886	250	62,566
Capital assets					
Land	27,577	11,459	265,166	–	304,202
Buildings and structures	6,452,565	1,608,118	–	–	8,060,683
Machinery and equipment	2,474,505	46,746	10,132	723	2,532,106
Distribution and collection systems	15,825,468	11,642,147	10,600,867	1,636,791	39,705,273
Construction in progress	397,197	101,000	444,126	48,893	991,216
Total capital assets	25,177,312	13,409,470	11,320,291	1,686,407	51,593,480
Less accumulated depreciation	(11,013,695)	(6,910,317)	(2,133,371)	(999,326)	(21,056,709)
Total capital assets (net of accumulated depreciation)	<u>14,163,617</u>	<u>6,499,153</u>	<u>9,186,920</u>	<u>687,081</u>	<u>30,536,771</u>
Total noncurrent assets	<u>14,193,276</u>	<u>6,525,924</u>	<u>9,192,806</u>	<u>687,331</u>	<u>30,599,337</u>
Total assets	<u>17,899,070</u>	<u>9,504,291</u>	<u>9,888,344</u>	<u>958,762</u>	<u>38,250,467</u>
Liabilities					
Current liabilities					
Accounts payable	35,186	6,862	20,541	15,942	78,531
Salaries payable	11,676	10,176	4,791	280	26,923
Contracts payable	25,600	–	–	–	25,600
Accrued bond interest payable	74,474	29,852	34,167	–	138,493
Customer deposits payable	6,757	–	–	–	6,757
Due to other governmental units	13,508	–	1,378	–	14,886
Compensated absences payable	3,830	3,463	1,442	99	8,834
Revenue bonds payable	365,000	155,000	260,000	–	780,000
Total current liabilities	<u>536,031</u>	<u>205,353</u>	<u>322,319</u>	<u>16,321</u>	<u>1,080,024</u>
Noncurrent liabilities					
Compensated absences payable (net of current portion)	30,437	27,513	11,472	805	70,227
Revenue bonds payable (net of current portion)	4,335,000	1,830,000	2,040,000	–	8,205,000
Total noncurrent liabilities	<u>4,365,437</u>	<u>1,857,513</u>	<u>2,051,472</u>	<u>805</u>	<u>8,275,227</u>
Total liabilities	<u>4,901,468</u>	<u>2,062,866</u>	<u>2,373,791</u>	<u>17,126</u>	<u>9,355,251</u>
Net position					
Net investment in capital assets	9,497,645	4,514,153	6,886,920	687,081	21,585,799
Restricted for trunk facility	–	183,496	–	–	183,496
Unrestricted	3,499,957	2,743,776	627,633	254,555	7,125,921
Total net position	<u>\$12,997,602</u>	<u>\$ 7,441,425</u>	<u>\$ 7,514,553</u>	<u>\$ 941,636</u>	<u>28,895,216</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					59,103
Net position of business-type activities					<u>\$28,954,319</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Statement of Revenues, Expenses, and

Changes in Fund Net Position

Proprietary Funds

For The Year Ended December 31, 2012

Statement 7

	Business-Type Activities – Enterprise Funds				Governmental Activities – Internal Service Funds
	Water	Sewer	Surface Water	Street Lights	Totals Current Year
Operating revenues					
Customer billings	\$ 2,892,069	\$ 3,557,896	\$ 1,109,363	\$ 456,144	\$ 8,015,472
Water meter sales	11,399	–	–	–	11,399
Other	14,554	10,881	38,176	140	63,751
Total operating revenues	<u>2,918,022</u>	<u>3,568,777</u>	<u>1,147,539</u>	<u>456,284</u>	<u>8,090,622</u>
Operating expenses					
MCES sewer service charges	–	1,699,069	–	–	1,699,069
Administrative charges	171,320	318,560	99,050	34,750	623,680
Personal services	633,905	563,491	273,650	16,284	1,487,330
Materials and supplies	75,921	22,780	20,862	721	120,284
Water meters	19,815	–	–	–	19,815
Contractual services	367,065	275,855	306,931	21,496	971,347
Utilities	123,022	7,297	5,713	161,578	297,610
Insurance	14,211	6,615	3,848	923	25,597
Depreciation	614,991	317,853	221,177	40,041	1,194,062
Total operating expenses	<u>2,020,250</u>	<u>3,211,520</u>	<u>931,231</u>	<u>275,793</u>	<u>6,438,794</u>
Operating income (loss)	<u>897,772</u>	<u>357,257</u>	<u>216,308</u>	<u>180,491</u>	<u>1,651,828</u>
Nonoperating revenues (expenses)					
General property taxes	–	–	–	–	–
Earnings on investments	35,077	24,964	8,476	3,114	71,631
Gain on sale of capital assets	–	–	–	–	–
Loss on disposal of capital assets	(1,901)	–	–	–	(1,901)
Other	–	–	–	–	–
Interest and paying agent fees	(183,921)	(72,489)	(84,797)	–	(341,207)
Total nonoperating revenues (expenses)	<u>(150,745)</u>	<u>(47,525)</u>	<u>(76,321)</u>	<u>3,114</u>	<u>(271,477)</u>
Income (loss) before contributions and transfers	<u>747,027</u>	<u>309,732</u>	<u>139,987</u>	<u>183,605</u>	<u>1,380,351</u>
Capital contributions	<u>45,021</u>	<u>35,584</u>	<u>96,794</u>	<u>23,693</u>	<u>201,092</u>
Transfers					
Transfers in	–	–	–	–	–
Transfers out	(240,000)	(188,000)	(107,000)	(15,600)	(550,600)
Total transfers	<u>(240,000)</u>	<u>(188,000)</u>	<u>(107,000)</u>	<u>(15,600)</u>	<u>(550,600)</u>
Change in net position	<u>552,048</u>	<u>157,316</u>	<u>129,781</u>	<u>191,698</u>	<u>1,030,843</u>
Net position – January 1	<u>12,445,554</u>	<u>7,284,109</u>	<u>7,384,772</u>	<u>749,938</u>	<u>27,864,373</u>
Net position – December 31	<u>\$ 12,997,602</u>	<u>\$ 7,441,425</u>	<u>\$ 7,514,553</u>	<u>\$ 941,636</u>	<u>\$ 28,895,216</u>
Net changes in net position reported above					\$ 1,030,843
Amounts reported for business-type activities in the Statement of Activities are different because:					
Transfer in of capital assets from governmental activities.					91,107
Governmental activities contribution revenue reported above					(91,107)
Internal service funds are used by management to charge the cost of equipment maintenance and insurance to individual funds. This amount is the portion of net revenue attributable to and reported with business-type activities.					(2,532)
Change in net position of business-type activities					<u>\$ 1,028,311</u>

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Statement of Cash Flows

Proprietary Funds

For The Year Ended December 31, 2012

Statement 8

	Business-Type Activities – Enterprise Funds					Governmental Activities – Internal Service Funds
	Water	Sewer	Surface Water	Street Lights	Totals Current Year	
Cash flows from operating activities						
Receipts from customers and users	\$ 2,767,264	\$ 3,521,944	\$ 1,088,193	\$ 442,421	\$ 7,819,822	\$ –
Receipts from interfund services provided	–	–	–	–	–	1,151,455
Payments to suppliers	(593,379)	(2,131,220)	(339,260)	(184,479)	(3,248,338)	(406,645)
Payments to employees	(632,550)	(563,151)	(272,969)	(16,266)	(1,484,936)	(193,399)
Payments for interfund services used	(171,320)	(318,560)	(99,050)	(34,750)	(623,680)	–
Miscellaneous revenue	–	–	–	–	–	64,149
Net cash flows from operating activities	<u>1,370,015</u>	<u>509,013</u>	<u>376,914</u>	<u>206,926</u>	<u>2,462,868</u>	<u>615,560</u>
Cash flows from noncapital financing activities						
Transfer to other funds	<u>(240,000)</u>	<u>(188,000)</u>	<u>(107,000)</u>	<u>(15,600)</u>	<u>(550,600)</u>	<u>(3,729)</u>
Cash flows from capital and related financing activities						
Proceeds from sales of capital assets	–	–	–	–	–	84,819
Acquisition and construction of capital assets	(384,052)	(239,261)	(371,689)	(179,169)	(1,174,171)	(489,037)
Receipts from taxpayers	–	–	–	–	–	211,611
Transfers from other funds	–	–	–	–	–	180,600
Capital contributions	45,097	35,644	29,401	–	110,142	114,281
Principal paid on capital debt	(550,000)	(145,000)	(255,000)	–	(950,000)	(100,000)
Interest and paying agent fees on capital debt	<u>(192,188)</u>	<u>(73,979)</u>	<u>(88,028)</u>	<u>–</u>	<u>(354,195)</u>	<u>(247,657)</u>
Net cash flows from capital and related financing activities	<u>(1,081,143)</u>	<u>(422,596)</u>	<u>(685,316)</u>	<u>(179,169)</u>	<u>(2,368,224)</u>	<u>(245,383)</u>
Cash flows from investing activities						
Earnings on investments	<u>38,809</u>	<u>27,850</u>	<u>9,579</u>	<u>2,978</u>	<u>79,216</u>	<u>14,641</u>
Net change in cash and cash equivalents	87,681	(73,733)	(405,823)	15,135	(376,740)	381,089
Cash and cash equivalents – January 1	<u>2,935,896</u>	<u>2,103,096</u>	<u>773,425</u>	<u>174,479</u>	<u>5,986,896</u>	<u>1,003,323</u>
Cash and cash equivalents – December 31	<u>\$ 3,023,577</u>	<u>\$ 2,029,363</u>	<u>\$ 367,602</u>	<u>\$ 189,614</u>	<u>\$ 5,610,156</u>	<u>\$ 1,384,412</u>
Reconciliation of operating income (loss) to net cash flows from operating activities						
Operating income (loss)	<u>\$ 897,772</u>	<u>\$ 357,257</u>	<u>\$ 216,308</u>	<u>\$ 180,491</u>	<u>\$ 1,651,828</u>	<u>\$ (63,905)</u>
Adjustments to reconcile operating income (loss) to net cash flows from operating activities						
Miscellaneous revenue	–	–	–	–	–	64,149
Depreciation	614,991	317,853	221,177	40,041	1,194,062	619,921
Decrease (increase) in receivables	(150,758)	(46,833)	(59,346)	(13,863)	(270,800)	(566)
Decrease (increase) in prepaid items	(241)	(217)	(169)	(4)	(631)	(100)
Increase (decrease) in payables	8,251	(119,047)	(1,056)	261	(111,591)	(3,939)
Total adjustments	<u>472,243</u>	<u>151,756</u>	<u>160,606</u>	<u>26,435</u>	<u>811,040</u>	<u>679,465</u>
Net cash flows from operating activities	<u>\$ 1,370,015</u>	<u>\$ 509,013</u>	<u>\$ 376,914</u>	<u>\$ 206,926</u>	<u>\$ 2,462,868</u>	<u>\$ 615,560</u>
Noncash investing, capital, and financing activities						
Contributions of capital assets -						
Governmental funds	\$ –	\$ –	\$ 67,414	\$ 23,693	\$ 91,107	\$ –
Capital asset purchase on account -						
Accounts payable	–	–	10,300	–	10,300	(3,272)
Contracts payable	21,762	(62,275)	–	–	(40,513)	(1,000)
Due from other governmental units -						
Capital contribution	(76)	(60)	(21)	–	(157)	(175)
Sale of capital assets	–	–	–	–	–	(20,000)
Taxes receivable	–	–	–	–	–	2,771

The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW, MINNESOTA

Statement of Assets and Liabilities

Agency Funds

December 31, 2012

Statement 9

Assets

Cash and investments	\$	407,369
Accrued interest receivable		42
Total assets	\$	<u>407,411</u>

Liabilities

Deposits payable	\$	<u>407,411</u>
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The accompanying notes are an integral part of these financial statements.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Shoreview, Minnesota (the City) was incorporated in 1957 and operates under the state of Minnesota Statutory Plan B (Council – Manager) form of government. The City provides the following municipal services: public safety (police, fire, civil defense, and animal control), highways and streets, sanitation and health, parks and recreation, public improvements, community development, and general administrative services.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America applicable to governmental units as promulgated by the American Institute of Certified Public Accountants (AICPA) and the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies.

A. FINANCIAL REPORTING ENTITY

In accordance with GASB pronouncements and accounting principles generally accepted in the United States of America, the financial statements of the reporting entity should include the primary government and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of their operational or financial relationship with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of service performed or provided by the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, it has been determined that the City has one component unit.

Blended Component Unit

Shoreview Economic Development Authority (EDA) - The EDA was created to carry out the housing and economic development activities within the City. The governing body consists of five members three of which are City Council members. All EDA Commissioners are appointed by the Mayor with approval by the City Council. A member may be removed by the City Council for inefficiency, neglect of duty, or misconduct in office pursuant to procedures in Minnesota Statutes 469.095. All sales of bonds or other obligations of the EDA must be approved by the City Council. The EDA is required to follow the budget process for City departments in accordance with City policy, ordinances and resolutions. All EDA budgets are approved by the City Council. Development and redevelopment actions of the EDA must be in conformance with the City Comprehensive Plan and official controls implementing the Comprehensive Plan. The EDA must submit its plan for development and redevelopment to the City Council for approval in accordance with City planning procedures and law. The administrative structure and management practices and policies of the EDA must be approved by the City Council. The EDA's activity is reported as the Economic Development Authority and Housing and Redevelopment Authority Special Revenue Funds. The EDA does not issue a separate set of financial statements.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or business-type activity. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business-type activity. Taxes and other items not included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The City's only fiduciary funds are agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers all revenues, except reimbursement grants, to be available if they are collected within 60 days of the end of the current fiscal period. Reimbursement grants are considered available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF SHOREVIEW

Notes to Financial Statements
December 31, 2012

Property taxes, special assessments, intergovernmental revenues, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Community Center Operation Fund* (Special Revenue Fund type) accounts for all operations of the community center, including maintenance of the facility and services offered for a fee basis. The fund's primary revenue sources are memberships, daily user fees, room rentals and concessions.

The *Recreation Programs Fund* (Special Revenue Fund type) accounts for recreational and social programs offered on a fee basis. Revenues are user fees of various programs and activities which fund administrative and direct program expenditures.

The *Municipal State Aid Fund* (Capital Project Fund type) accounts for the City's allocation of the state collected highway use tax. The allocation is based on population and need for construction of designated state aid streets.

The *Street Renewal Fund* (Capital Project Fund type) provides financing for the replacement and/or rehabilitation of the City's street system. This fund has a minimum required fund balance of \$2 million per city policy.

The *General Fixed Asset Replacement Fund* (Capital Project Fund type) provides financing for the replacement of all general capital assets.

The *Capital Improvement Fund* (Capital Project Fund type) provides financing for improvements to the City's parks and trail system.

The government reports the following major proprietary funds:

The *Water Fund* accounts for the water service charges which are used to finance the water system operations.

The *Sewer Fund* accounts for the sewer service charges which are used to finance the sanitary sewer system operations.

The *Surface Water Fund* accounts for the surface water charges which are used to finance the surface water system operations.

The *Street Lights Fund* accounts for the street light charges which are used to finance the street light system operations.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

Additionally, the government reports the following fund types:

Internal service funds account for the activities of the City's *short-term disability self-insurance, liability claims, and central garage funds*. These services are provided to other departments of the City on a cost reimbursement basis.

Agency funds account for the assets of the *Hockey Association and Lake Johanna Volunteer Fire Department* held by the City in a custodial capacity as an agent.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transactions that would be treated as revenues, expenditures, or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, which are similarly treated when they involve other funds of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer, Surface Water, and Street Lights Funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. BUDGETS

Budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted for the General Fund and all special revenue funds. Budgeted expenditure appropriations lapse at year-end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the appropriation, is not employed by the City because it is at present not considered necessary to assure effective budgetary control or to facilitate effective cash management.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

E. LEGAL COMPLIANCE – BUDGETS

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The city manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution on a departmental basis (general government, public safety, public works, parks and recreation, community development, and miscellaneous) which is the legal level of control, and can be expended by each department based upon detailed budget estimates for individual expenditure accounts.
4. The city manager is authorized to transfer appropriations within any department budget. Adjustments to appropriations between departments or between funds, and budget additions and deletions must be authorized by the City Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and special revenue funds.
6. Legal debt obligation indentures determine the appropriation level and debt service tax levies for the debt service funds. Supplementary budgets are adopted for the proprietary funds to determine and calculate user charges. These debt service and budget amounts represent general obligation bond indenture provisions and net income for operations and capital maintenance and are not reflected in the financial statements.
7. A capital improvement program is reviewed annually by the City Council for the capital project funds. However, appropriations for major projects are not adopted until the actual bid award of the improvement. The appropriations are not reflected in the financial statements.

The following is a listing of nonmajor special revenue funds whose expenditures exceeded budget appropriations:

	Original and Final Budget	Actual	Over Budget
Nonmajor funds			
Special revenue fund			
Slice of Shoreview Event – General Government	\$ 57,200	\$ 63,917	\$ 6,717
Economic Development Authority – Community Development	\$ 49,783	\$ 51,765	\$ 1,982

The overexpenditures were funded by available fund balance and revenues in excess of budget.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

F. CASH AND INVESTMENTS

Cash and investment balances from all funds are pooled and invested to the extent available in authorized investments. Earnings from investments are allocated to individual funds on the basis of the fund's equity in the cash and investment pool.

The City provides temporary advances to funds that have insufficient cash balances by means of an advance from another fund shown as interfund receivables in the advancing fund, and an interfund payable in the fund with the deficit, until adequate resources are received. These interfund balances are eliminated on the government-wide financial statements.

Investments are generally stated at fair value, except for investments in 2a7-like external investment pools, which are stated at amortized cost. Investment income is accrued at the balance sheet date.

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. All of the cash and investments allocated to the proprietary fund types have original maturities of 90 days or less. Therefore, the entire balance in such fund types are considered to be cash equivalents.

G. RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. Short-term interfund loans are classified as "interfund receivables/payables." All short-term interfund receivables and payables at year-end are planned to be eliminated in the subsequent year. Long-term interfund loans are classified as "interfund loan receivable/payable." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Internal balances on the Statement of Net Position also consist of prior and current year internal service fund costs in excess of charges to business-type activities.

Property taxes and special assessment receivables have been reported net of estimated uncollectible accounts (See Note 1 H and I). Because utility bills are considered liens on property, no estimated uncollectible amounts are established. Uncollectible amounts are not material for other receivables and have not been reported.

H. PROPERTY TAX REVENUE RECOGNITION

The City Council annually adopts a tax levy and certifies it to the county in December (levy/assessment date) of each year for collection in the following year. The county is responsible for billing and collecting all property taxes for itself, the City, the local school district, and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the county and remitted to the City on or before July 15 and December 15 of the same year. Delinquent collections for November and December are received the following January. The City has no ability to enforce payment of property taxes by property owners. The county possesses this authority.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes property tax revenue in the period for which taxes were levied. Uncollectible property taxes are not material and have not been reported.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The City recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes received by the City in July, December, and January are recognized as revenue for the current year. Taxes collected by the county by December 31 (remitted to the City the following January) and taxes not received at year-end are classified as delinquent and due from county taxes receivable. The portion of delinquent taxes not collected by the City in January is fully offset by deferred revenue because they are not available to finance current expenditures.

The City's property tax revenue includes payments from the Metropolitan Revenue Distribution (Fiscal Disparities Formula) per Minnesota Statute § 473F. This statute provides a means of spreading a portion of the taxable valuation of commercial/industrial real property to various taxing authorities within the defined metropolitan area. The valuation "shared" is a portion of commercial/industrial property valuation growth since 1971. Property taxes paid to the City through this formula for 2012 totaled \$820,646. Receipt of property taxes from this "fiscal disparities pool" does not increase or decrease total tax revenue.

I. SPECIAL ASSESSMENT REVENUE RECOGNITION

Special assessments are levied against benefited properties for the cost or a portion of the cost of special assessment improvement projects in accordance with state statutes. These assessments are collectible by the City over a term of years usually consistent with the term of the related bond issue. Collection of annual installments (including interest) is handled by the County Auditor in the same manner as property taxes. Property owners are allowed to (and often do) prepay future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeit sale and the first proceeds of that sale (after costs, penalties, and expenses of sale) are remitted to the City in payment of delinquent special assessments. Generally, the City will collect the full amount of its special assessments not adjusted by City Council or court action. Pursuant to state statutes, a property shall be subject to a tax forfeit sale after three years unless it is homesteaded or is agricultural or seasonal recreational land, in which event the property is subject to such sale after five years.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City recognizes special assessment revenue in the period that the assessment roll was adopted by the City Council. Uncollectible special assessments are not material and have not been reported.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

GOVERNMENTAL FUND FINANCIAL STATEMENTS

Revenue from special assessments is recognized by the City when it becomes measurable and available to finance expenditures of the current fiscal period. In practice, current and delinquent special assessments received by the City are recognized as revenue for the current year. Special assessments that are collected by the county by December 31 (remitted to the City the following January) are also recognized as revenue for the current year. All remaining delinquent, deferred, and special deferred assessments receivable in governmental funds are completely offset by deferred revenues.

J. INVENTORIES

The original cost of materials and supplies has been recorded as expenditures at the time of purchase for both the governmental and proprietary funds. These funds do not maintain material amounts of materials and supplies.

K. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are reported using the consumption method and recorded as expenditures/expenses at the time of consumption.

L. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e. those reported by governmental activities) the City chose to include all such items regardless of their acquisition date. These assets are reported at historical cost.

The City estimated historical cost for the initial reporting of these assets through back trending (estimating the current replacement cost and utilizing an appropriate price-level index to deflate the cost to the acquisition year). As the City constructs or acquires additional infrastructure assets each period, they will be capitalized and reported at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

capitalized value of the assets constructed. For the year ended December 31, 2012, no interest was capitalized in connection with construction in progress.

Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Assets	
Building and structures	20–75 years
Machinery and equipment	5–20 years
Distribution and collection systems	50 years
Streets	35 years
Street lights	25 years
Trails and sidewalks	25–30 years
Pedestrian tunnels and bridges	35 years

M. COMPENSATED ABSENCES

It is the City's policy to permit employees to accumulate earned but unused annual leave and sick pay benefits. All annual leave is accrued when incurred in the government-wide and proprietary fund financial statements. Annual leave is payable when used or upon termination of employment. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of Statement of Government Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave benefits that is vested as severance pay. Sick leave is payable when used and in some cases upon termination of employment. For regular employees, sick leave is payable upon retirement after at least 10 years of service at a rate of 33-1/3 percent of accumulated sick leave. The recorded portion of sick leave represents employees with 10 years of service and over the age of 55. The remaining amounts are not recorded as liabilities because payment is not probable.

N. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are immaterial and are expensed in the year of bond issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

O. FUND BALANCE CLASSIFICATIONS/FLOW ASSUMPTIONS

In the fund financial statements, governmental funds report fund balances in classifications that disclose constraints for which those fund balances can be spent. These classifications are as follows:

Nonspendable – consists of amounts that are not in spendable form, such as prepaid items.

Restricted – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed – consist of internally imposed constraints. These constraints are established by Resolution of the City Council.

Assigned – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council and/or management. Pursuant to City Council Resolution, the City Manager or Finance Director is authorized to establish assignments of fund balance.

Unassigned – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for an allowable use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order; 1) committed 2) assigned 3) unassigned.

P. NET POSITION CLASSIFICATIONS/FLOW ASSUMPTIONS

In the government-wide and proprietary fund financial statements, net position represents the difference between assets, liabilities and deferred inflows/outflows (as applicable). Net position is displayed in three components:

Net Investment in Capital Assets – Consists of capital assets, net of accumulated depreciation reduced by any outstanding debt attributable to acquire capital assets.

Restricted Net Position – Consists of net position that is restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Unrestricted Net Position – All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for an allowable use, it is the City's policy to use the restricted resources first, then unrestricted resources as they are needed.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

Q. INTERFUND TRANSACTIONS

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Interfund loans are reported as an interfund loan receivable or payable which offsets the movement of cash between funds. All other interfund transactions are reported as transfers.

R. USE OF ESTIMATES

The preparation of financial statements, in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

S. CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2012, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 62, "Codification of accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure.

For the year ended December 31, 2012, the City has also implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." This statement changed how governmental entities present a statement of net position, adding two new basic financial statement elements, and replacing "net assets" with "net position" as the terminology used to describe the difference between the other four elements. The two basic financial statement elements added are "deferred inflows of resources" and "deferred outflows of resources". These new elements are differentiated from assets (deferred outflows of resources) and liabilities (deferred inflows of resources), but have similar effects on net position. The objective of this statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

Note 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**1. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

The governmental fund Balance Sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this (\$15,935,684) difference are as follows:

Long-term debt payable	\$ (15,555,000)
Accrued interest payable	(123,241)
Compensated absences	<u>(257,443)</u>
Net adjustment to reduce fund balances – total governmental funds to arrive at net position – governmental activities	<u>\$ (15,935,684)</u>

Another element of that reconciliation explains that “internal service funds are used by management to charge the costs of fleet management, short-term disability insurance, and liability claims to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.” The details of this \$4,166,603 difference are as follows:

Net position of the internal service funds	\$ 4,225,706
Add: Internal payable representing charges in excess of costs to business-type activities – prior years	(61,635)
Add: Internal payable representing charges in excess of costs to business-type activities – current year	<u>2,532</u>
Net adjustment to increase fund balances – total governmental funds to arrive at net position – governmental activities	<u>\$ 4,166,603</u>

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this (\$974,824) difference are as follows:

Capital outlay	\$ 1,362,235
Depreciation expense	<u>(2,337,059)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (974,824)</u>

Another element of that reconciliation states that “revenues on the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this (\$118,858) difference are as follows:

General property taxes deferred revenue	
At December 31, 2011	\$ (87,509)
At December 31, 2012	104,875
Special assessments deferred revenue	
At December 31, 2011	(683,060)
At December 31, 2012	<u>546,836</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (118,858)</u>

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

Another element of that reconciliation states that “the issuance of long-term debt (e.g. bonds and leases) provides current financial resources to governmental funds, while the repayment of the long-term debt consumes the current financial resources of governmental funds.” Neither transaction, however, has any effect on net position. The details of this \$1,335,000 difference are as follows:

Principal repayments	
General obligation improvement bonds	\$ 285,000
General obligation tax increment bonds	510,000
General obligation capital improvement plan bonds	100,000
General obligation street reconstruction bonds	150,000
Certificates of participation	<u>290,000</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 1,335,000</u>

Another element of that reconciliation states that “some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$52,322 difference are as follows:

Compensated absences	\$ (7,649)
Accrued interest	<u>59,971</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 52,322</u>

Note 3 DEPOSITS AND INVESTMENTS

A. DEPOSITS

In accordance with Minnesota Statutes, the City maintains deposits at those depository banks authorized by the City Council, all of which are members of the Federal Reserve System.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a failure, the City’s deposits may be lost.

Minnesota Statutes require that all city deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds.

Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the city treasurer or in a restricted account at the Federal Reserve Bank or in an account at a trust department of a

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commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. Authorized collateral includes the following:

- a) United States government treasury bills, treasury notes, and treasury bonds;
- b) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- c) General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- d) Unrated general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- e) Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation; and
- f) Time deposits that are fully insured by any federal agency.

The City has no additional deposit policies addressing custodial credit risk.

At year-end, the carrying amount of the City's deposits was (\$79,921) and the bank balance was \$51,394. The entire bank balance was covered by federal depository insurance.

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B. INVESTMENTS

As of December 31, 2012, the City had the following cash and investments:

Investment Type	Concentration Risk	Interest Risk – Maturity Duration in Years				Carrying Amount at Fair Value
	Over 5% of Portfolio	Less than 1 Year	1 to 5 Years	6 to 10 Years	More than 10 Years	
Federal National Mortgage Association	24.7%	\$ –	\$1,302,224	\$ –	\$4,804,708	\$ 6,106,932
Federal Home Loan Bank	10.9%	–	–	2,701,884	–	2,701,884
Federal Home Loan Mortgage Corporation	12.2%	–	–	3,024,931	–	3,024,931
Marketable certificates of deposit	N/A	995,044	4,243,566	748,808	485,573	6,472,991
Municipal bonds	N/A	–	–	2,026,787	–	2,026,787
Money market funds						
Minnesota Municipal Money Market	N/A	1,650,529	–	–	–	1,650,529
Western Asset Institutional Govt. Reserves Institutional Shares	N/A	2,695,173	–	–	–	2,695,173
Wells Fargo Advantage Government Money Market Fund	N/A	68,729	–	–	–	68,729
Total investments		<u>\$ 5,409,475</u>	<u>\$5,545,790</u>	<u>\$8,502,410</u>	<u>\$5,290,281</u>	24,747,956
Deposits						(79,921)
Petty cash						<u>13,090</u>
Totals						<u>\$ 24,681,125</u>
Government-Wide Statement of Net Position						\$ 24,273,756
Fiduciary Funds Statement of Assets and Liabilities						<u>407,369</u>
Totals						<u>\$ 24,681,125</u>

N/A – Not Applicable

The Minnesota Municipal Money Market Fund is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under rule 2a7. The City's investment in this trust is measured at the net asset value per share provided by the pool, which is based on an amortized cost method that approximates fair value. The fund is not rated by a nationally recognized rating agency.

Investments are subject to various risks, the following of which are considered the most significant:

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer) the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy addressing this risk, but typically limits its exposure by only purchasing insured or registered investments, or by the control of who holds the securities.

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Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes authorize the City to invest in the following:

- a) Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities, or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
- b) Shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a national bond rating service, and all of the investments have a final maturity of 13 months or less, and whose only investments are in securities described in (a) above, general obligation tax-exempt securities, or repurchase or reverse repurchase agreements.
- c) Obligations of any state or local municipality as follows:
 - 1) any security which is a general obligation of any state or local government with taxing powers which is rated “A” or better by a national bond rating service;
 - 2) any security which is a revenue obligation of any state or local government with taxing powers which is rated “AA” or better by a national bond rating service; and
 - 3) a general obligation of the Minnesota housing finance agency which is a moral obligation of the state of Minnesota and is rated “A” or better by a national bond rating agency.
- d) Bankers acceptance of United States banks eligible for purchase by the Federal Reserve System.
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two national rating agencies, and maturing in 270 days or less.
- f) Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories by a national bond rating agency.
- g) Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the governmental entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers; or, a bank qualified as a depositor.
- h) General obligation temporary bonds of the same governmental entity issued under § 429.091, Subdivision 7; § 469.178, Subdivision 5; or § 475.61, Subdivision 6.

The City’s investment policy does not further address credit risk. As of December 31, 2012, the City’s investment in obligations of U.S. government agencies that are only implicitly guaranteed by the U.S. government (e.g., securities issued by the Federal National Mortgage Association, the Federal Home Loan Bank, and the Federal Home Loan Mortgage Corporation), the Western Asset Institutional Government Reserves Institutional shares, and Wells Fargo Advantage Government Money Market Fund received Aaa credit ratings from Moody’s Investors Service, Inc. and AA+ from Standard & Poor’s Corporation. The City’s investments in Municipal bonds were rated Aaa, Aa1, Aa2 and Aa3 by Moody’s Investors Service, Inc. in the amount of \$498,240, \$496,870, \$255,528 and \$776,149 respectively.

Concentration Risk – This is the risk associated with investing a significant portion of the City’s investment (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The City’s investment policies do not limit the concentration of investments.

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Interest Rate Risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City does not have an investment policy limiting the duration of investments.

Note 4 RECEIVABLES/DEFERRED REVENUE

Significant receivable balances not expected to be collected within one year of December 31, 2012 are as follows:

	Accounts Receivable	Certified Utility Accounts Receivable	Utility Customer Accounts Receivable	Delinquent Property Taxes	Special Assessment Receivable	Total
Major funds						
General	\$ 2,536	\$ —	\$ —	\$ 27,735	\$ —	\$ 30,271
Municipal State Aid	—	—	—	—	903	903
Street Renewal	—	—	—	3,366	34,022	37,388
General Fixed Asset Replacement	—	—	—	5,096	—	5,096
Capital Improvement	—	—	—	458	—	458
Water	—	11,509	54,782	—	25,930	92,221
Sewer	—	22,069	68,658	—	22,733	113,460
Surface Water	—	4,659	21,739	—	5,025	31,423
Street Lights	—	2,117	8,994	—	—	11,111
Nonmajor governmental funds	—	—	—	3,183	436,170	439,353
	<u>\$ 2,536</u>	<u>\$ 40,354</u>	<u>\$154,173</u>	<u>\$ 39,838</u>	<u>\$ 524,783</u>	<u>\$ 761,684</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Major Funds						
	General Fund	Municipal State Aid	Street Renewal	General Fixed Asset Replacement	Capital Improvement	Nonmajor Funds	Total
Unavailable							
Delinquent property taxes receivable	\$ 56,486	\$ —	\$ 6,855	\$ 10,378	\$ 933	\$ 30,223	\$ 104,875
Special assessments not yet due	—	1,733	39,111	—	—	505,992	546,836
Total unavailable revenue	<u>56,486</u>	<u>1,733</u>	<u>45,966</u>	<u>10,378</u>	<u>933</u>	<u>536,215</u>	<u>651,711</u>
Unearned							
Grant revenue received, but not yet earned	10,815	—	—	—	—	—	10,815
State Aid received, but not yet earned	—	698,975	—	—	—	—	698,975
Billboard rental fees received, but not yet earned	—	—	—	—	3,333	—	3,333
Antenna rental fees received, but not yet earned	—	—	—	—	70,729	—	70,729
Total unearned revenue	<u>10,815</u>	<u>698,975</u>	<u>—</u>	<u>—</u>	<u>74,062</u>	<u>—</u>	<u>783,852</u>
Total deferred (unavailable) unearned revenue for governmental funds	<u>\$ 67,301</u>	<u>\$ 700,708</u>	<u>\$ 45,966</u>	<u>\$ 10,378</u>	<u>\$ 74,995</u>	<u>\$ 536,215</u>	<u>\$ 1,435,563</u>

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Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Primary government					
Governmental activities					
Capital assets, not being depreciated					
Land	\$ 7,724,345	\$ —	\$ —	\$ —	\$ 7,724,345
Construction in progress	1,568,832	987,867	—	(1,496,612)	1,060,087
Total capital assets, not being depreciated	9,293,177	987,867	—	(1,496,612)	8,784,432
Capital assets, being depreciated					
Building and structures	33,946,231	32,602	—	36,241	34,015,074
Machinery and equipment	7,225,842	735,424	305,410	99,339	7,755,195
Infrastructure	56,607,803	—	19,962	1,361,032	57,948,873
Total capital assets, being depreciated	97,779,876	768,026	325,372	1,496,612	99,719,142
Less accumulated depreciation for					
Building and structures	8,521,109	793,062	—	—	9,314,171
Machinery and equipment	3,428,457	519,973	221,438	—	3,726,992
Infrastructure	32,605,527	1,643,945	7,700	—	34,241,772
Total accumulated depreciation	44,555,093	2,956,980	229,138	—	47,282,935
Total capital assets being depreciated – net	53,224,783	(2,188,954)	96,234	1,496,612	52,436,207
Governmental activities capital assets – net	\$ 62,517,960	\$ (1,201,087)	\$ 96,234	\$ —	\$ 61,220,639
	Beginning Balance	Increases	Decreases	Adjustments	Ending Balance
Primary government					
Business-type activities					
Capital assets, not being depreciated					
Land	\$ 304,202	\$ —	\$ —	\$ —	\$ 304,202
Construction in progress	678,292	1,229,073	—	(916,149)	991,216
Total capital assets, not being depreciated	982,494	1,229,073	—	(916,149)	1,295,418
Capital assets, being depreciated					
Building and structures	7,783,042	—	—	277,641	8,060,683
Machinery and equipment	2,537,460	5,992	11,346	—	2,532,106
Distribution and collection system	39,085,966	—	19,201	638,508	39,705,273
Total capital assets, being depreciated	49,406,468	5,992	30,547	916,149	50,298,062
Less accumulated depreciation for					
Building and structures	2,860,793	238,764	—	—	3,099,557
Machinery and equipment	268,984	101,695	9,445	—	361,234
Distribution and collection system	16,761,516	853,603	19,201	—	17,595,918
Total accumulated depreciation	19,891,293	1,194,062	28,646	—	21,056,709
Total capital assets being depreciated – net	29,515,175	(1,188,070)	1,901	916,149	29,241,353
Business-type activities capital assets – net	\$ 30,497,669	\$ 41,003	\$ 1,901	\$ —	\$ 30,536,771

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Depreciation expense was charged to functions/programs of the government as follows:

Governmental activities	
General government	\$ 145,532
Public safety	85,261
Public works	1,642,785
Parks and recreation	463,481
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>619,921</u>
Total depreciation expense – governmental activities	<u>\$ 2,956,980</u>
Business-type activities	
Water	\$ 614,991
Sewer	317,853
Surface water	221,177
Street lights	<u>40,041</u>
Total depreciation expense – business-type activities	<u>\$ 1,194,062</u>

COMMITMENTS

At December 31, 2012, the City had construction project contracts in progress. The commitments related to the remaining contract balances are summarized as follows:

<u>Project</u>	<u>Amount</u>
Demar Floral Rehabilitation	\$ 16,035

CITY OF SHOREVIEW
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Note 6 LONG-TERM DEBT

The City issues general obligation bonds and certificates of participation to provide funds for the acquisition and construction of major capital facilities. The reporting entity's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

GOVERNMENTAL ACTIVITIES

As of December 31, 2012, the governmental activities long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rate	Authorized and Issued	Outstanding 12/31/2012
G.O. improvement bonds					
2002 Improvement Bonds	11/01/2002	02/01/2014	2.50–3.65	\$ 430,000	\$ 100,000
2004 Improvement Bonds	02/01/2004	02/01/2016	1.25–3.75	455,000	180,000
2006 Improvement Bonds	03/01/2006	02/01/2022	3.25–4.00	205,000	130,000
2008 Improvement Bonds	11/15/2008	02/01/2025	3.50–4.375	330,000	300,000
2009 Improvement Bonds	11/15/2009	02/01/2021	3.00–4.00	235,000	215,000
2010 Improvement Bonds	12/16/2010	02/01/2022	1.00–4.00	140,000	140,000
Total G.O. improvement bonds				<u>1,795,000</u>	<u>1,065,000</u>
G.O. tax increment bonds					
G.O. Tax Increment Refunding of 2004	02/01/2004	02/01/2013	1.50–3.40	2,625,000	370,000
G.O. Tax Increment Refunding of 2007	11/01/2007	12/01/2015	4.00	1,090,000	950,000
Total G.O. tax increment bonds				<u>3,715,000</u>	<u>1,320,000</u>
Other G.O. improvement bonds					
G.O. Capital Improvement Plan Bonds of 2004	10/01/2004	02/01/2020	2.00–4.10	1,600,000	975,000
G.O. Street Reconstruction Bonds of 2006	06/01/2006	02/01/2022	4.00–4.20	2,500,000	1,865,000
G.O. Capital Improvement Plan Bonds of 2010	03/10/2010	02/01/2030	1.20–5.85	5,615,000	5,515,000
Total other G.O. improvement bonds				<u>9,715,000</u>	<u>8,355,000</u>
Loan payable					
Metropolitan Right-of-Way Acquisition Loan Fund	09/26/2006	N/A	–	6,000,000	6,000,000
Certificates of participation					
Refunding Certificates of Participation 2011	04/01/2011	08/01/2023	2.00–3.75	4,620,000	4,330,000
Compensated absences	N/A	N/A	N/A	N/A	262,231
Total city indebtedness – governmental activities				<u>\$ 25,845,000</u>	<u>\$ 21,332,231</u>

N/A – Not Applicable

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BUSINESS-TYPE ACTIVITIES

As of December 31, 2012, the business-type activities long-term debt of the City consisted of the following:

	Issue Date	Final Maturity Date	Interest Rate	Authorized and Issued	Outstanding 12/31/2012
G.O. revenue bonds					
Water Revenue Bonds of 2002	11/01/2002	02/01/2014	2.50–3.65	\$ 295,000	\$ 60,000
Surface Water Revenue Bonds of 2002	11/01/2002	02/01/2014	2.50–3.65	475,000	100,000
Water Revenue Bonds of 2004	02/01/2004	02/01/2016	1.25–3.75	445,000	135,000
Sewer Revenue Bonds of 2004	02/01/2004	02/01/2016	1.25–3.75	395,000	155,000
Surface Water Revenue Bonds of 2004	02/01/2004	02/01/2016	1.25–3.75	535,000	200,000
Water Revenue Bonds of 2006	03/01/2006	02/01/2022	3.25–4.00	860,000	625,000
Sewer Revenue Bonds of 2006	03/01/2006	02/01/2022	3.25–4.00	270,000	195,000
Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50–4.15	845,000	670,000
Sewer Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50–4.15	260,000	205,000
Surface Water Revenue Bonds of 2007	11/01/2007	02/01/2023	3.50–4.15	600,000	475,000
Water Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5–4.375	2,365,000	2,040,000
Sewer Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5–4.375	580,000	500,000
Surface Water Revenue Bonds of 2008	11/15/2008	02/01/2025	3.5–4.375	230,000	200,000
Surface Water Revenue Bonds of 2009	11/15/2009	02/01/2021	3.00–4.00	1,180,000	990,000
Water Revenue Bonds of 2010	12/16/2010	02/01/2026	0.75–4.60	1,240,000	1,170,000
Sewer Revenue Bonds of 2010	12/16/2010	02/01/2026	0.75–4.60	985,000	930,000
Surface Water Revenue Bonds of 2010	12/16/2010	02/01/2026	0.75–4.60	355,000	335,000
Total G.O. revenue bonds				<u>11,915,000</u>	<u>8,985,000</u>
Compensated absences payable	N/A	N/A	N/A	<u>N/A</u>	<u>79,061</u>
Total city indebtedness – business-type activities				<u>\$ 11,915,000</u>	<u>\$ 9,064,061</u>

N/A – Not Applicable

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GOVERNMENTAL ACTIVITIES

Annual debt service requirements to maturity for the governmental activities long-term debt are as follows:

Year Ending December 31,	G.O. Improvement Bonds		G.O. Tax Increment Bonds		Other G.O. Improvement Bonds		Certificates of Participation	
	Governmental Activities		Governmental Activities		Governmental Activities		Governmental Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 160,000	\$ 35,730	\$ 630,000	\$ 44,290	\$ 505,000	\$ 352,550	\$ 345,000	\$ 124,215
2014	160,000	30,338	340,000	27,600	515,000	337,743	350,000	117,315
2015	125,000	25,520	350,000	14,000	530,000	321,244	360,000	110,315
2016	115,000	21,471	—	—	550,000	302,925	365,000	102,935
2017	80,000	18,139	—	—	565,000	282,995	375,000	94,540
2018	70,000	15,513	—	—	590,000	261,080	390,000	84,978
2019	70,000	12,986	—	—	610,000	236,972	400,000	74,058
2020	75,000	10,229	—	—	630,000	211,124	415,000	62,057
2021	75,000	7,248	—	—	510,000	186,552	430,000	48,155
2022	50,000	4,719	—	—	530,000	163,360	440,000	33,750
2023	25,000	3,156	—	—	315,000	143,908	460,000	17,250
2024	30,000	1,969	—	—	325,000	128,385	—	—
2025	30,000	656	—	—	335,000	112,047	—	—
2026	—	—	—	—	345,000	94,530	—	—
2027	—	—	—	—	355,000	75,625	—	—
2028	—	—	—	—	370,000	55,410	—	—
2029	—	—	—	—	380,000	34,033	—	—
2030	—	—	—	—	395,000	11,554	—	—
Total	<u>\$ 1,065,000</u>	<u>\$ 187,674</u>	<u>\$ 1,320,000</u>	<u>\$ 85,890</u>	<u>\$ 8,355,000</u>	<u>\$ 3,312,037</u>	<u>\$ 4,330,000</u>	<u>\$ 869,568</u>

It is not practical to determine the specific year for payment of long-term accrued compensated absences.

The Metropolitan Right-of-Way Acquisition Loan Fund loan payable repayment is subject to conveyance of the property purchased with the loan to the Minnesota Department of Transportation and the timing of highway improvements is currently not known; therefore, it is not practical to determine the annual requirements to amortize this non-interest bearing note.

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BUSINESS-TYPE ACTIVITIES

Annual debt service requirements to maturity for the business-type long-term debt are as follows:

Year Ending December 31,	G.O. Revenue Bonds	
	Business-Type Activities	
	Principal	Interest
2013	\$ 780,000	\$ 320,635
2014	800,000	296,304
2015	750,000	271,556
2016	750,000	246,841
2017	665,000	222,926
2018	685,000	199,176
2019	705,000	173,602
2020	730,000	146,060
2021	760,000	116,538
2022	655,000	87,918
2023	585,000	62,096
2024	450,000	39,874
2025	470,000	19,604
2026	200,000	4,600
Total	<u>\$ 8,985,000</u>	<u>\$ 2,207,730</u>

It is not practical to determine the specific year for payment of long-term accrued compensated absences.

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CHANGE IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended December 31, 2012, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities					
Bonds payable					
G.O. improvement bonds	\$ 1,350,000	\$ —	\$ 285,000	\$ 1,065,000	\$ 160,000
G.O. tax increment bonds	1,830,000	—	510,000	1,320,000	630,000
Other G.O. improvement bonds	8,705,000	—	350,000	8,355,000	505,000
Total bonds payable	11,885,000	—	1,145,000	10,740,000	1,295,000
Loans payable	6,000,000	—	—	6,000,000	—
Certificates of participation	4,620,000	—	290,000	4,330,000	345,000
Compensated absences	254,920	345,470	338,159	262,231	29,309
Total governmental activity long-term liabilities	<u>\$ 22,759,920</u>	<u>\$ 345,470</u>	<u>\$ 1,773,159</u>	<u>\$ 21,332,231</u>	<u>\$ 1,669,309</u>
Business-type activities					
G.O. revenue bonds	\$ 9,935,000	\$ —	\$ 950,000	\$ 8,985,000	\$ 780,000
Compensated absences	82,479	98,505	101,923	79,061	8,834
Total business-type activity long-term liabilities	<u>\$ 10,017,479</u>	<u>\$ 98,505</u>	<u>\$ 1,051,923</u>	<u>\$ 9,064,061</u>	<u>\$ 788,834</u>

The governmental activities loans payable and compensated absences are generally liquidated by the General Fund, special revenue funds, and capital project funds.

Financing of the certificates of participation will be provided from the General Fund, General Fixed Asset Replacement Fund, and Capital Improvement Fund.

All general obligation indebtedness outstanding at December 31, 2012 is backed by the full faith and credit of the City, including improvement, tax increment, other improvement, and revenue bonds. Delinquent assessments receivable at December 31, 2012 totaled \$3,323.

In 2010, the City issued taxable “Build America Bonds,” and will receive direct payment from the federal government of an amount equal to 35 percent of the amount of interest payable on each interest payment date.

Note 7 PENSION PLANS

A. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) – DEFINED BENEFIT

PLAN DESCRIPTION

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) which is a cost-sharing, multiple-employer retirement plan. This plan is established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statutes, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For all GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 65 for Basic and Coordinated Plan members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated Plan members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree—no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERP. That report may be obtained on the web at www.mnpera.org; by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota, 55103-2088; or by calling (651) 296-7460 or (800) 652-9026.

FUNDING POLICY

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State Legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Basic Plan members and Coordinated Plan members were required to contribute 9.1 percent and 6.25 percent, respectively, of their annual covered salary in 2012. In 2012, the City was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan members and 7.25 percent for Coordinated Plan members. The City's contributions for the years 2012, 2011, and 2010 were \$387,654, \$383,811 and \$366,692 respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statutes.

B. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION (PERA) – DEFINED CONTRIBUTION

Four councilmembers and the mayor of the City are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. The plan provisions are established and administered in accordance with Minnesota Statutes, Chapter 353D.03, which may be amended by the State Legislature and specifies the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

Total contributions made by the City during fiscal year 2012 were:

	<u>Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required Rates</u>
	<u>Employees</u>	<u>Employer</u>	<u>Employees</u>	<u>Employer</u>	
PEDCP	<u>\$ 1,461</u>	<u>\$ 1,461</u>	5.00%	5.00%	5.00%

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2012

Note 8 INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund receivable and payable balances at December 31, 2012 are as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Nonmajor governmental funds	<u>\$ 222,690</u>	<u>\$ 222,690</u>

Interfund receivables/payables are used for temporary cash deficits. These balances will be eliminated by future tax receipts, intergovernmental revenue and grants.

Interfund transfers:

Transfers out	Transfer In							Total
	General Fund	Community Center Operation Fund	Recreation Programs Fund	Street Renewal Fund	General Fixed Asset Replacement Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ —	\$ 225,000	\$ 65,000	\$ —	\$ 207,403	\$ 110,427	\$ —	\$ 607,830
Recreation Programs Fund	—	75,000	—	—	—	—	—	75,000
Municipal State Aid Fund	—	—	—	—	—	38,775	—	38,775
Street Renewal Fund	—	—	—	—	—	623,536	—	623,536
General Fixed Asset Replacement Fund	—	—	—	—	—	295,517	—	295,517
Capital Improvement Fund	—	—	—	—	—	185,561	—	185,561
Nonmajor governmental funds	111,000	—	—	6,276	—	729,363	—	846,639
Water Fund	175,000	—	—	—	—	—	65,000	240,000
Sewer Fund	123,000	—	—	—	—	—	65,000	188,000
Surface Water Fund	60,000	—	—	—	—	—	47,000	107,000
Street Lights Fund	12,000	—	—	—	—	—	3,600	15,600
Internal Service Funds	—	—	—	—	—	3,729	—	3,729
Total transfers out	<u>\$ 481,000</u>	<u>\$ 300,000</u>	<u>\$ 65,000</u>	<u>\$ 6,276</u>	<u>\$ 207,403</u>	<u>\$ 1,986,908</u>	<u>\$ 180,600</u>	<u>\$ 3,227,187</u>

Interfund transfers allow the City to allocate financial resources to the funds that receive benefits from services provided by another fund. All of the City's interfund transfers fall under that category. All of the 2012 transfers are considered routine and consistent with previous practices.

CITY OF SHOREVIEW

Notes to Financial Statements
December 31, 2012

Note 9 CAPITAL LEASE

In 2011, the City issued refunding certificates of participation for the lease of the community center expansion area. The lease is paid in semi-annual installments, and final payment is due August 1, 2023. Depreciation in the amount of \$75,598 has been recorded as depreciation expense during 2012.

The net book value of assets under capital lease at December 31, 2012 is as follows:

	December 31, 2012
Building and structures	\$ 5,359,094
Accumulated depreciation	<u>718,179</u>
Net	<u><u>\$ 4,640,915</u></u>

The following is a schedule of future minimum lease payments under the capital lease:

Year	Community Center Expansion
2013	\$ 469,215
2014	467,315
2015	470,315
2016	467,935
2017	469,540
2018	474,978
2019	474,058
2020	477,057
2021	478,155
2022	473,750
2023	<u>477,250</u>
Total	5,199,568
Less amount representing interest	<u>(869,568)</u>
Present value of minimum lease payments	<u><u>\$4,330,000</u></u>

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

Note 10 OPERATING LEASE PAYABLE

During 2012 the City leased eight copier machines under four separate lease agreements. Two leases expired in December 2012, with the others expiring January 2013, and May 2015; and call for monthly lease payments of \$862, \$183, \$78 and \$2,054 respectively. The City leases eight treadmills, eight elliptical machines, and four adaptive motion trainers under three separate lease agreements for the community center. One lease expires in February 2015, the others expire in September and October 2013; and call for monthly lease payments of \$1,089, \$1,066 and \$1,445 respectively. Lease expenditures for the year ended December 31, 2012 amounted to \$79,413.

Future minimum annual lease payments at December 31, 2012 are as follows:

<u>Year Ended December 31,</u>	<u>Copiers</u>	<u>Exercise Equipment</u>	<u>Total</u>
2013	\$ 24,721	\$ 37,115	\$ 61,836
2014	24,643	13,068	37,711
2015	<u>8,214</u>	<u>1,089</u>	<u>9,303</u>
Total	<u>\$ 57,578</u>	<u>\$ 51,272</u>	<u>\$ 108,850</u>

Note 11 COMMITMENTS AND CONTINGENCIES**A. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Workers' compensation coverage for City employees and councilmembers is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The City pays an annual premium to LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers' Compensation Reinsurance Association (WCRA) as required by law. For workers' compensation, the City is not subject to a deductible. The City's workers' compensation coverage prior to December 1, 2004 is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

Other insurance coverage is provided through a pooled self-insurance program through LMCIT. The City pays an annual premium to the LMCIT. The City is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through commercial companies for claims in excess of various amounts. The City retains risk for deductible portions. These deductibles are considered immaterial to the financial statements.

The City continues to carry commercial insurance for other risks of loss, including disability insurance. There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three fiscal years.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

The City established the Short-Term Disability Self Insurance Fund to account for the receipt of monthly premiums paid by employees and costs incurred in providing short-term disability insurance to employees on a self-insured basis. Under this program, the Short-Term Disability Self Insurance Fund provides coverage for losses up to two-thirds of any employees' gross wages. Benefits begin on the sixteenth working day and cover up to three calendar months. The City purchases commercial insurance for long-term disability for claims which exceed three months.

The City established the Liability Claims Fund to account for losses in the City's general package insurance. Under this program, the Liability Claims Fund provides coverage for losses up to \$25,000 for each claim (annual aggregate is \$75,000).

All funds of the City participate in these two programs and make payments to these funds based on historical cost information. GASB Statement No. 10 requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. As of the date of the report, liabilities that have occurred are immaterial.

B. LITIGATION

The City attorney has indicated that existing and pending lawsuits, claims, and other actions in which the City is a defendant are either covered by insurance; of an immaterial amount; or, in the judgment of the City attorney, remotely recoverable by plaintiffs.

C. FEDERAL AND STATE FUNDS

The City receives financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the applicable fund. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the City at December 31, 2012.

D. TAX INCREMENT DISTRICTS

The City's tax increment districts are subject to review by the state of Minnesota Office of the State Auditor (OSA). Any disallowed claims or misuse of tax increments could become a liability of the applicable fund. Management has indicated that they are not aware of any instances of noncompliance which would have a material effect on the financial statements.

Note 12 DEFERRED AD VALOREM TAX LEVIES – BONDED DEBT

General obligation bond issues sold by the City are financed by ad valorem tax levies. General obligation improvement bond issues sold by the City are partially financed by ad valorem tax levies in addition to special assessments levied against the benefiting properties. When a bond issue to be financed partially or completely by ad valorem tax levies is sold, specific annual amounts of such tax levies are stated in the bond resolution and the county auditor is notified and instructed to levy these taxes over the appropriate years. The future tax levies are subject to cancellation when and if the City has provided alternative sources of financing. The City Council is required to levy any additional taxes found necessary for full payment of principal and interest. These future scheduled tax levies are

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2012

not shown as assets in the accompanying financial statements at December 31, 2012. Future scheduled tax levies for all bonds outstanding at December 31, 2012 totaled \$10,915,270.

Note 13 FUND BALANCES

A. CLASSIFICATIONS

At December 31, 2012, a summary of the governmental fund balance classifications are as follows:

	General Fund	Major Special Revenue Funds Community Center Operations	Recreation Programs	Major Capital Project Funds	Other Funds	Total
Nonspendable						
Prepaid items	\$ 69,213	\$ 3,643	\$ 4,855	\$ —	\$ 182	\$ 77,893
Restricted for						
Business loan program	—	—	—	—	165,777	165,777
Cable Television	—	—	—	—	92,886	92,886
Debt service	—	—	—	—	1,423,875	1,423,875
Economic development	—	—	—	—	24,682	24,682
Housing and redevelopment	—	—	—	—	62,127	62,127
Recycling	—	—	—	—	162,122	162,122
Tax increment purposes	—	—	—	—	3,174,411	3,174,411
Total restricted	—	—	—	—	5,105,880	5,105,880
Committed to						
Community Center operations	—	985,693	—	—	—	985,693
Recreation programs	—	—	643,784	—	—	643,784
Street improvements	—	—	—	2,235,008	—	2,235,008
Fixed asset replacements	—	—	—	758,045	—	758,045
Park improvements	—	—	—	720,226	—	720,226
Cable TV	—	—	—	—	157,684	157,684
Slice of Shoreview event	—	—	—	—	62,110	62,110
Total committed	—	985,693	643,784	3,713,279	219,794	5,562,550
Assigned to						
Debt service	—	—	—	—	755,881	755,881
Street improvements	—	—	—	1,061,666	—	1,061,666
Computer systems	—	—	—	—	41,047	41,047
Total assigned	—	—	—	1,061,666	796,928	1,858,594
Unassigned	4,066,796	—	—	—	(222,622)	3,844,174
Total	\$ 4,136,009	\$ 989,336	\$ 648,639	\$ 4,774,945	\$ 5,900,162	\$ 16,449,091

B. MINIMUM UNASSIGNED FUND BALANCE POLICY

The City Council has formally adopted a policy regarding the minimum unassigned fund balance for the General Fund. The most significant revenue source of the General Fund is property taxes. This revenue source is received in two installments during the year – June and December. As such, it is the City's goal to begin each fiscal year with sufficient working capital to fund operations between each semi-annual receipt of property taxes. The policy also addresses the potential for unanticipated events.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

The policy establishes a year-end targeted unassigned fund balance for working capital needs at fifty percent of the ensuing years General Fund tax levy, and levy-based state aids. The working capital allocation shall be reduced by the balance of any prepaid items at year-end. The unassigned unanticipated event fund balance is established at ten percent of the ensuing years budgeted General Fund expenditures. At December 31, 2012, the unassigned working capital fund balance was fifty percent of the ensuing years General Fund tax levy, and levy based aids. The unassigned unanticipated event fund balance was ten percent of the ensuing years budgeted General Fund Expenditures.

C. DEFICIT FUND BALANCES

The City had deficit fund balances at December 31, 2012 as follows:

	<u>Amount</u>
Nonmajor Funds	
Capital Project	
Owasso Street Realignment	\$222,622

The Owasso Street Realignment deficit will be eliminated through future grants, intergovernmental revenue and tax increment revenue.

Note 14 HOME ENERGY IMPROVEMENT LOAN RECEIVABLE

In 2010, the Economic Development Authority (EDA) started a home energy improvement loan program. As of December 31, 2012 the EDA issued ten loans with interest rates of 5.25%. The terms range from 96 to 120 months and call for monthly payments.

Future minimum loan receipts at December 31, 2012 are as follows:

<u>Year</u>	<u>Home Energy Improvement Loan Program</u>
2013	\$ 16,077
2014	16,077
2015	16,077
2016	16,077
2017	16,077
2018	15,981
2019	14,917
2020	14,521
2021	6,697
2022	<u>751</u>
Total	133,252
Less amount representing interest	<u>(24,446)</u>
Total loan receivable	<u>\$ 108,806</u>

CITY OF SHOREVIEW

Notes to Financial Statements
December 31, 2012

Note 15 CONDUIT DEBT OBLIGATIONS

From time to time, the City has issued industrial revenue bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Not the City, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2012, there were four series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$10,795,432.

Note 16 CONTINGENT NOTE PAYABLE

The City has issued several tax increment pay-as-you-go revenue notes. These notes are not a general obligation of the City and are payable solely from available tax increments. Accordingly, these notes are not reflected in the financial statements of the City. Details of the pay-as-you-go revenue notes are as follows:

TIF District #4

Within TIF District #4, there is a pay-as-you-go agreement. As of December 31, 2012, future tax increment flow will be used to pay Tax Increment Agreement (Series 1996) up to a maximum amount of \$1,022,535.

TIF District #6

Within TIF District #6, there are two pay-as-you-go agreements. As of December 31, 2012, future tax increment flow will be used to pay Tax Increment Agreement #1 (Series 2001) up to a maximum amount of \$1,376,129, and to pay Tax Increment Agreement #2 (Series 2001) up to a maximum amount of \$527,000.

CITY OF SHOREVIEW

Notes to Financial Statements

December 31, 2012

Note 17 PLEDGED REVENUE

The City has issued Certificates of Participation, Tax Increment, Capital Improvement, and Utility Improvement bonds for community development expenditures, and the construction of buildings, public works infrastructure, and park and recreation facilities. Specific revenues are pledged for the payments of interest and future retirement of the obligations. As of December 31, 2012 the following pledges were in place:

G.O. Refunding Tax Increment Bonds of 2004

The City pledged \$389,000 of tax increment collections to meet the debt service commitment on the bonds. The debt was originally issued in 2004 to refund the 1997A Tax Increment Bonds, which financed community development expenditures and public works infrastructure, it has a final maturity date of February 1, 2013. The pledged revenues represent 100 percent of the revenue stream, and \$376,290 of the pledge commitment remains outstanding.

G.O. Refunding Tax Increment Bonds of 2007

The City pledged \$184,000 of tax increment collections to meet the debt service commitment on the bonds. The debt was originally issued in 2007 to refund the 1999C Tax Increment Bonds, which financed park and recreation building and structures and public works infrastructure, it has a final maturity date of December 1, 2015. The pledged revenues represent 100 percent of the revenue stream, and \$1,029,600 of the pledge commitment remains outstanding.

G.O. Capital Improvement Plan Bonds of 2010

The City pledged \$1,107,284 of Central Garage charges, property tax collections, earnings on investments, Federal Build America Bond credit, capital contributions and transfers from utility funds to meet the debt service commitment on the bonds. The debt was originally issued in 2010 to finance the Central Garage building renovation, it has a final maturity date of February 1, 2030. The pledged revenues represent 67 percent of the revenue stream, and \$8,256,602 of the pledge commitment remains outstanding.

G.O. Water Revenue Bonds

The City pledged \$1,592,861 of operating revenue, earnings on investments and Federal Build America Bond credits to meet the debt service commitment on the bonds. The debt was originally issued in years 2002 - 2010 to finance water system infrastructure improvements, it has a final maturity date of years 2014 - 2026. The pledged revenues represent 53 percent of the revenue stream, and \$5,940,759 of the pledge commitment remains outstanding.

G.O. Sewer Revenue Bonds

The City pledged \$735,658 of operating revenue, earnings on investments and Federal Build America Bond credits to meet the debt service commitment on the bonds. The debt was originally issued in years 2004 - 2010 to finance sewer system infrastructure improvements, it has a final maturity date of years 2016 - 2026. The pledged revenues represent 20 percent of the revenue stream, and \$2,498,974 of the pledge commitment remains outstanding.

CITY OF SHOREVIEW
Notes to Financial Statements
December 31, 2012

G.O. Surface Water Revenue Bonds

The City pledged \$542,755 of operating revenue, earnings on investments, capital contributions and Federal Build America Bond credits to meet the debt service commitment on the bonds. The debt was originally issued in years 2002 - 2010 to finance surface water system infrastructure improvements, it has a final maturity date of years 2014 - 2026. The pledged revenues represent 43 percent of the revenue stream, and \$2,752,997 of the pledge commitment remains outstanding.

Refunding Certificates of Participation of 2011

The City pledged \$466,828 of earnings on investments, other revenue and transfers from other funds to meet the debt service commitment on the certificates. The certificates were issued in 2011 to refund the Certificates of Participation of 2002 which financed the community center expansion, it has a final maturity date of August 1, 2023. The pledged revenues represent 100 percent of the revenue stream, and \$5,199,568 of the pledge commitment remains outstanding.

Revenue available to meet debt service requirements is shown in the following table:

Bond Issue	Gross Revenue	Direct Operating Expenses	Available Net Revenue	Debt Service Requirements		
				Principal	Interest and Paying Agent Fees	Total
G.O. Refunding Tax Increment Bonds of 2004	\$ 389,000	\$ —	\$ 389,000	\$ 370,000	\$ 19,024	\$ 389,024
G.O. Refunding Tax Increment Bonds of 2007	184,000	—	184,000	140,000	44,475	184,475
G.O. Capital Improvement Plan Bonds of 2010	1,657,943	550,659 *	1,107,284	100,000	247,157	347,157
G.O. Water Revenue Bonds	2,998,120	1,405,259 *	1,592,861	550,000	183,921	733,921
G.O. Sewer Revenue Bonds	3,629,325	2,893,667 *	735,658	145,000	72,489	217,489
G.O. Surface Water Revenue Bonds	1,252,809	710,054 *	542,755	255,000	84,797	339,797
Refunding Certificates of Participation of 2011	466,828	—	466,828	290,000	175,353	465,353
	<u>\$ 10,578,025</u>	<u>\$ 5,559,639</u>	<u>\$ 5,018,386</u>	<u>\$ 1,850,000</u>	<u>\$ 827,216</u>	<u>\$ 2,677,216</u>

* Direct Operating expenses exclude Depreciation expense

Note 18 SUBSEQUENT EVENTS

The City issued the \$4,150,000 General Obligation Bonds, Series 2013A , and the \$3,415,000 General Obligation Refunding Bonds, Series 2013B dated March 6, 2013.

**FINANCIAL SECTION –
REQUIRED SUPPLEMENTARY FINANCIAL
INFORMATION OTHER THAN MD&A**

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Budgetary Comparison Schedule – General Fund

For The Year Ended December 31, 2012

Statement 10**Page 1 of 2**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
General property taxes			
Current	\$ 6,467,060	\$ 6,370,039	\$ (97,021)
Other	–	4,930	4,930
Total general property taxes	6,467,060	6,374,969	(92,091)
Licenses and permits			
Business	36,350	44,940	8,590
Non-business	256,400	495,815	239,415
Total licenses and permits	292,750	540,755	248,005
Intergovernmental			
State			
Road maintenance	158,700	164,463	5,763
Market value homestead credit	3,200	56	(3,144)
PERA aid	20,122	20,122	–
Emerald Ash Borer	–	673	673
Local			
Aggregate gravel tax	500	1,835	1,335
Other	480	–	(480)
Total intergovernmental	183,002	187,149	4,147
Charges for services			
General government	600	831	231
Public works	323,000	364,506	41,506
Parks and recreation	6,500	12,829	6,329
Community development	55,000	123,736	68,736
Administrative charges			
Special revenue funds	85,670	85,670	–
Capital project funds	70,000	50,836	(19,164)
Enterprise funds	623,680	623,680	–
Total charges for services	1,164,450	1,262,088	97,638
Fines and forfeits	62,000	67,000	5,000
Earnings on investments	45,000	47,253	2,253
Other	35,160	52,529	17,369
Total revenues	8,249,422	8,531,743	282,321
Expenditures			
General government			
Current			
Council and Commissions	140,231	142,559	(2,328)
Administration	537,154	529,535	7,619
Human resources	248,382	221,451	26,931
Elections	34,453	33,194	1,259
Communications	171,288	141,999	29,289
Finance and accounting	541,508	533,464	8,044
Information systems	312,594	264,128	48,466
Legal	100,000	90,207	9,793
Capital outlay			
Communications	–	54,780	(54,780)
Information systems	–	26,533	(26,533)
Total general government	2,085,610	2,037,850	47,760

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Budgetary Comparison Schedule – General Fund

For The Year Ended December 31, 2012

Statement 10**Page 2 of 2**

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Expenditures (continued)			
Public safety			
Current			
Police	1,858,994	1,838,635	20,359
Fire	854,900	861,450	(6,550)
Emergency services	7,333	6,339	994
Total public safety	<u>2,721,227</u>	<u>2,706,424</u>	<u>14,803</u>
Public works			
Current			
Public works administration and engineering	433,056	429,014	4,042
Streets	769,973	767,986	1,987
Trail management	121,384	113,786	7,598
Forestry	75,596	78,327	(2,731)
Total public works	<u>1,400,009</u>	<u>1,389,113</u>	<u>10,896</u>
Parks and recreation			
Current			
Parks and recreation administration	345,201	337,545	7,656
Municipal buildings	126,119	125,612	507
Park and sports area maintenance	1,117,133	1,130,995	(13,862)
Total parks and recreation	<u>1,588,453</u>	<u>1,594,152</u>	<u>(5,699)</u>
Community development			
Current			
Planning and zoning administration	382,837	347,568	35,269
Building inspection	151,486	170,209	(18,723)
Total community development	<u>534,323</u>	<u>517,777</u>	<u>16,546</u>
Total expenditures	<u>8,329,622</u>	<u>8,245,316</u>	<u>84,306</u>
Revenues over (under) expenditures	<u>(80,200)</u>	<u>286,427</u>	<u>366,627</u>
Other financing sources (uses)			
Transfers in	481,000	481,000	–
Transfers out	(400,800)	(607,830)	(207,030)
Total other financing sources (uses)	<u>80,200</u>	<u>(126,830)</u>	<u>(207,030)</u>
Net change in fund balance	<u>\$ –</u>	<u>159,597</u>	<u>\$ 159,597</u>
Fund balance – January 1		3,976,412	
Fund balance – December 31		<u>\$ 4,136,009</u>	

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Statement 11

Budgetary Comparison Schedule – Community Center Operations Fund

For The Year Ended December 31, 2012

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 2,269,985	\$ 2,298,345	\$ 28,360
Earnings on investments	8,000	14,100	6,100
Other	–	60	60
Total revenues	<u>2,277,985</u>	<u>2,312,505</u>	<u>34,520</u>
Expenditures			
Parks and recreation			
Current			
Personal services	1,415,659	1,399,967	15,692
Materials and supplies	461,760	446,077	15,683
Contractual services	568,570	599,685	(31,115)
Capital outlay	12,930	5,727	7,203
Total expenditures	<u>2,458,919</u>	<u>2,451,456</u>	<u>7,463</u>
Revenues over (under) expenditures	<u>(180,934)</u>	<u>(138,951)</u>	<u>41,983</u>
Other financing sources (uses)			
Transfers in	300,000	300,000	–
Net change in fund balance	<u>\$ 119,066</u>	<u>161,049</u>	<u>\$ 41,983</u>
Fund balance – January 1		828,287	
Fund balance – December 31		<u>\$ 989,336</u>	

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Statement 12

Budgetary Comparison Schedule – Recreation Programs Fund

For The Year Ended December 31, 2012

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 1,277,740	\$ 1,340,831	\$ 63,091
Earnings on investments	4,600	8,388	3,788
Other	–	972	972
Total revenues	<u>1,282,340</u>	<u>1,350,191</u>	<u>67,851</u>
Expenditures			
Parks and recreation			
Current			
Personal services	921,325	911,597	9,728
Materials and supplies	81,141	80,447	694
Contractual services	244,336	244,713	(377)
Total expenditures	<u>1,246,802</u>	<u>1,236,757</u>	<u>10,045</u>
Revenues over (under) expenditures	<u>35,538</u>	<u>113,434</u>	<u>77,896</u>
Other financing sources (uses)			
Transfers in	65,000	65,000	–
Transfers out	<u>(75,000)</u>	<u>(75,000)</u>	<u>–</u>
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>–</u>
Net change in fund balance	<u>\$ 25,538</u>	<u>103,434</u>	<u>\$ 77,896</u>
Fund balance – January 1		<u>545,205</u>	
Fund balance – December 31		<u>\$ 648,639</u>	

CITY OF SHOREVIEW, MINNESOTA

Required Supplementary Information

Budgetary Comparison Schedule

Note to RSI

December 31, 2012

Note A LEGAL COMPLIANCE – BUDGETS

The General Fund, Community Center Operations Fund, and Recreation Programs Fund budgets are legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the department level (general government, public safety, public works, parks and recreation, community development, and miscellaneous) for all funds. For the year ended December 31, 2012, the following is a list of funds whose departments exceeded budgeted appropriations:

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over Budget</u>
Major funds			
General Fund			
Parks and recreation	\$ 1,588,453	\$ 1,594,152	\$ 5,699

The General Fund over expenditures were funded by greater than anticipated revenues.

**FINANCIAL SECTION –
COMBINING AND INDIVIDUAL NONMAJOR FUND
STATEMENTS AND SCHEDULES**

**COMBINING AND INDIVIDUAL NONMAJOR FUND STATEMENTS AND
SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for specified purposes other than debt service or capital projects.

DEBT SERVICE FUNDS

Debt service funds are used to account for and report the accumulation of restricted, committed, or assigned resources for the payment of, interest, principal, and related costs on long-term debt.

CAPITAL PROJECT FUNDS

Capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays including the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

CITY OF SHOREVIEW, MINNESOTA

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2012

Statement 13

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 666,572	\$ 2,153,527	\$ 2,881,210	\$ 5,701,309
Accrued interest receivable	1,221	6,834	12,993	21,048
Accounts receivable	77,147	—	—	77,147
Loan receivable	—	—	108,806	108,806
Taxes receivable	2,580	10,619	25,242	38,441
Special assessments receivable	—	524,847	—	524,847
Interfund receivable	—	—	222,690	222,690
Due from other governmental units	13,859	—	—	13,859
Prepaid items	182	—	—	182
Total assets	<u>\$ 761,561</u>	<u>\$ 2,695,827</u>	<u>\$ 3,250,941</u>	<u>\$ 6,708,329</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 31,168	\$ 5,938	\$ 10,173	\$ 47,279
Salaries payable	1,983	—	—	1,983
Interfund payable	—	—	222,690	222,690
Deferred revenue	840	510,133	25,242	536,215
Total liabilities	<u>33,991</u>	<u>516,071</u>	<u>258,105</u>	<u>808,167</u>
Fund balances				
Nonspendable	182	—	—	182
Restricted	507,594	1,423,875	3,174,411	5,105,880
Committed	219,794	—	—	219,794
Assigned	—	755,881	41,047	796,928
Unassigned	—	—	(222,622)	(222,622)
Total fund balances	<u>727,570</u>	<u>2,179,756</u>	<u>2,992,836</u>	<u>5,900,162</u>
Total liabilities and fund balances	<u>\$ 761,561</u>	<u>\$ 2,695,827</u>	<u>\$ 3,250,941</u>	<u>\$ 6,708,329</u>

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For The Year Ended December 31, 2012

Statement 14

	Special Revenue	Debt Service	Capital Project	Totals Nonmajor Governmental Funds
Revenues				
Taxes				
General property taxes	\$ 123,267	\$ 435,278	\$ –	\$ 558,545
Tax increments	–	–	1,980,051	1,980,051
Special assessments	–	171,872	–	171,872
Intergovernmental	66,794	1,330	–	68,124
Charges for services	779,802	–	1,250	781,052
Earnings on investments	6,585	22,458	54,963	84,006
Other	39,996	16,294	–	56,290
Total revenues	<u>1,016,444</u>	<u>647,232</u>	<u>2,036,264</u>	<u>3,699,940</u>
Expenditures				
Current				
General government	205,654	–	43,776	249,430
Public works	475,009	–	55,148	530,157
Community development	94,628	–	2,290,955	2,385,583
Capital outlay				
General government	–	–	113,447	113,447
Public works	–	–	927,921	927,921
Debt service				
Principal	–	1,335,000	–	1,335,000
Interest and paying agent fees	–	407,823	–	407,823
Total expenditures	<u>775,291</u>	<u>1,742,823</u>	<u>3,431,247</u>	<u>5,949,361</u>
Revenues over (under) expenditures	<u>241,153</u>	<u>(1,095,591)</u>	<u>(1,394,983)</u>	<u>(2,249,421)</u>
Other financing sources (uses)				
Transfers in	10,000	1,027,114	949,794	1,986,908
Transfers out	(127,989)	(9,114)	(709,536)	(846,639)
Total other financing sources (uses)	<u>(117,989)</u>	<u>1,018,000</u>	<u>240,258</u>	<u>1,140,269</u>
Net change in fund balances	<u>123,164</u>	<u>(77,591)</u>	<u>(1,154,725)</u>	<u>(1,109,152)</u>
Fund balances – January 1	<u>604,406</u>	<u>2,257,347</u>	<u>4,147,561</u>	<u>7,009,314</u>
Fund balances – December 31	<u>\$ 727,570</u>	<u>\$ 2,179,756</u>	<u>\$ 2,992,836</u>	<u>\$ 5,900,162</u>

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NONMAJOR SPECIAL REVENUE FUNDS

The City had the following special revenue funds during the year:

Recycling Fund – This fund was established to account for the City’s recycling program. Revenues are received through a joint powers agreement with Ramsey County and a user charge is assessed on property tax statements to all residential property. The City maintains a contract with a private hauler for the curbside collection of all recyclable materials.

Cable TV Fund – This fund was established to account for transactions associated with cable television in the City. Franchise fee revenue is restricted for cable television programs. Expenditures include the operation of the North Suburban Cable Commission and other costs relating to cable television activity.

Slice of Shoreview Event Fund – This fund was established to account for all costs, donations, sponsorships, and entrance fees associated with the Slice of Shoreview event.

Economic Development Authority – This fund was established to account for economic development programs and activities within the City of Shoreview. Minnesota Statutes restrict the use of revenues for economic development purposes.

Housing and Redevelopment Authority – This fund was established to account for housing and redevelopment programs and activities within the City of Shoreview. Minnesota Statutes restrict the use of revenues for housing and redevelopment purposes.

CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

Statement 15

	Recycling	Cable TV	Slice of Shoreview Event	Economic Development Authority	Housing & Redevelopment Authority	Total Nonmajor Special Revenue Funds
Assets						
Cash and investments	\$ 176,881	\$ 175,193	\$ 62,110	\$ 190,741	\$ 61,647	\$ 666,572
Accrued interest receivable	–	568	–	653	–	1,221
Accounts receivable	–	76,622	–	525	–	77,147
Taxes receivable	–	–	–	1,132	1,448	2,580
Due from other governmental units	13,859	–	–	–	–	13,859
Prepaid items	60	54	–	25	43	182
Total assets	<u>\$ 190,800</u>	<u>\$ 252,437</u>	<u>\$ 62,110</u>	<u>\$ 193,076</u>	<u>\$ 63,138</u>	<u>\$ 761,561</u>
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 28,249	\$ 1,276	\$ –	\$ 1,642	\$ 1	\$ 31,168
Salaries payable	369	537	–	568	509	1,983
Deferred revenue	–	–	–	382	458	840
Total liabilities	<u>28,618</u>	<u>1,813</u>	<u>–</u>	<u>2,592</u>	<u>968</u>	<u>33,991</u>
Fund balances						
Nonspendable	60	54	–	25	43	182
Restricted	162,122	92,886	–	190,459	62,127	507,594
Committed	–	157,684	62,110	–	–	219,794
Total fund balances	<u>162,182</u>	<u>250,624</u>	<u>62,110</u>	<u>190,484</u>	<u>62,170</u>	<u>727,570</u>
Total liabilities and fund balances	<u>\$ 190,800</u>	<u>\$ 252,437</u>	<u>\$ 62,110</u>	<u>\$ 193,076</u>	<u>\$ 63,138</u>	<u>\$ 761,561</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Special Revenue Funds
For The Year Ended December 31, 2012

Statement 16

	<u>Recycling</u>	<u>Cable TV</u>	<u>Slice of Shoreview Event</u>	<u>Economic Development Authority</u>	<u>Housing and Redevelopment Authority</u>	<u>Total Nonmajor Special Revenue Funds</u>
Revenues						
Taxes						
General property taxes	\$ -	\$ -	\$ -	\$ 54,358	\$ 68,909	\$ 123,267
Intergovernmental	66,794	-	-	-	-	66,794
Charges for services	454,552	301,530	23,720	-	-	779,802
Earnings on investments	885	2,056	853	2,367	424	6,585
Other	-	1,100	38,896	-	-	39,996
Total revenues	<u>522,231</u>	<u>304,686</u>	<u>63,469</u>	<u>56,725</u>	<u>69,333</u>	<u>1,016,444</u>
Expenditures						
Current						
General government	-	141,737	63,917	-	-	205,654
Public works	475,009	-	-	-	-	475,009
Community development	-	-	-	51,765	42,863	94,628
Total expenditures	<u>475,009</u>	<u>141,737</u>	<u>63,917</u>	<u>51,765</u>	<u>42,863</u>	<u>775,291</u>
Revenues over (under) expenditures	<u>47,222</u>	<u>162,949</u>	<u>(448)</u>	<u>4,960</u>	<u>26,470</u>	<u>241,153</u>
Other financing sources (uses)						
Transfers in	-	-	10,000	-	-	10,000
Transfers out	-	(127,989)	-	-	-	(127,989)
Total other financing sources (uses)	<u>-</u>	<u>(127,989)</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>(117,989)</u>
Net change in fund balances	<u>47,222</u>	<u>34,960</u>	<u>9,552</u>	<u>4,960</u>	<u>26,470</u>	<u>123,164</u>
Fund balances – January 1	<u>114,960</u>	<u>215,664</u>	<u>52,558</u>	<u>185,524</u>	<u>35,700</u>	<u>604,406</u>
Fund balances – December 31	<u>\$ 162,182</u>	<u>\$ 250,624</u>	<u>\$ 62,110</u>	<u>\$ 190,484</u>	<u>\$ 62,170</u>	<u>\$ 727,570</u>

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NONMAJOR DEBT SERVICE FUNDS

The City had the following debt service funds during the year:

Refunding Certificates of Participation of 2011 – This fund was established to provide financing for the 2011 refunding lease.

G.O. Capital Improvement Plan Bonds of 2004 – This fund was established to provide financing for the 2004 Capital Improvement Plan Bonds. Revenue sources are from property tax collections.

G.O. Street Reconstruction Bonds of 2006 – This fund was established to provide financing for the 2006 Street Reconstruction Bonds. Revenue sources are from property tax collections.

G.O. Tax Increment Refunding Bonds of 2007 – This fund was established to provide financing for the 2007 Tax Increment Refunding Financing Bonds. Financing of this debt service will be from tax increments.

G.O. Tax Increment Refunding Bonds of 2004 – This fund was established to provide financing for the 2004 Tax Increment Refunding Financing Bonds. Financing of this debt service will be from tax increments.

G.O. Improvement Bonds of 1995 – This fund was established to provide financing for the 1995 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2001 – This fund was established to provide financing for the 2001 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2002 – This fund was established to provide financing for the 2002 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2004 – This fund was established to provide financing for the 2004 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2006 – This fund was established to provide financing for the 2006 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2008 – This fund was established to provide financing for the 2008 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2009 – This fund was established to provide financing for the 2009 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

G.O. Improvement Bonds of 2010 – This fund was established to provide financing for the 2010 Improvement Bonds. Revenue sources are from special assessments and property tax collections.

Closed Bonds – This fund is used to account for previous special assessment bond issues refunded with existing funds. Outstanding special assessment balances are used for related debt service expenditures (fiscal and paying agent fees) and temporary and permanent financing of various capital improvements.

CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2012

Statement 17**Page 1 of 2**

	Refunding Certificates of Participation of 2011	G.O. Capital Improvement Plan Bonds of 2004	G.O. Street Reconstruction Bonds of 2006	G.O. Tax Increment Refunding Bonds of 2007
Assets				
Cash and investments	\$ 539,011	\$ 135,171	\$ 212,104	\$ 5,304
Accrued interest receivable	2,966	—	307	—
Taxes receivable				
Delinquent	—	1,265	2,039	—
Due from county	—	2,064	3,343	—
Special assessments receivable				
Delinquent	—	—	—	—
Deferred	—	—	—	—
Special deferred	—	—	—	—
Due from county	—	—	—	—
Total assets	<u>\$ 541,977</u>	<u>\$ 138,500</u>	<u>\$ 217,793</u>	<u>\$ 5,304</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ —	\$ —	\$ 2,750	\$ 875
Deferred revenue	—	1,265	2,039	—
Total liabilities	<u>—</u>	<u>1,265</u>	<u>4,789</u>	<u>875</u>
Fund balances				
Restricted	541,977	137,235	213,004	4,429
Assigned	—	—	—	—
Total fund balances	<u>541,977</u>	<u>137,235</u>	<u>213,004</u>	<u>4,429</u>
Total liabilities and fund balances	<u>\$ 541,977</u>	<u>\$ 138,500</u>	<u>\$ 217,793</u>	<u>\$ 5,304</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2012

Statement 17
Page 2 of 2

	G.O. Tax Increment Refunding Bonds of 2004	G.O. Improvement Bonds of 2002	G.O. Improvement Bonds of 2004	G.O. Improvement Bonds of 2006	G.O. Improvement Bonds of 2008	G.O. Improvement Bonds of 2009	G.O. Improvement Bonds of 2010	Closed Bonds	Total Nonmajor Debt Service Funds
Assets									
Cash and investments	\$ 1,181	\$ 70,837	\$ 133,822	\$ 17,927	\$ 144,044	\$ 81,795	\$ 58,644	\$ 753,687	\$ 2,153,527
Accrued interest receivable	—	—	446	—	398	—	—	2,717	6,834
Taxes receivable									
Delinquent	—	425	—	80	—	—	—	333	4,142
Due from county	—	790	—	141	—	—	—	139	6,477
Special assessments receivable									
Delinquent	—	—	—	241	5	882	2	844	1,974
Deferred	—	16,040	46,046	28,219	141,905	133,386	82,112	47,571	495,279
Special deferred	—	—	—	1,328	7,410	—	—	—	8,738
Due from county	—	273	12,953	1,506	611	2,448	399	666	18,856
Total assets	<u>\$ 1,181</u>	<u>\$ 88,365</u>	<u>\$ 193,267</u>	<u>\$ 49,442</u>	<u>\$ 294,373</u>	<u>\$ 218,511</u>	<u>\$ 141,157</u>	<u>\$ 805,957</u>	<u>\$ 2,695,827</u>
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ —	\$ 985	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,328	\$ 5,938
Deferred revenue	—	16,465	46,046	29,868	149,320	134,268	82,114	48,748	510,133
Total liabilities	<u>—</u>	<u>17,450</u>	<u>46,046</u>	<u>29,868</u>	<u>149,320</u>	<u>134,268</u>	<u>82,114</u>	<u>50,076</u>	<u>516,071</u>
Fund balances									
Restricted	1,181	70,915	147,221	19,574	145,053	84,243	59,043	—	1,423,875
Assigned	—	—	—	—	—	—	—	755,881	755,881
Total fund balances	<u>1,181</u>	<u>70,915</u>	<u>147,221</u>	<u>19,574</u>	<u>145,053</u>	<u>84,243</u>	<u>59,043</u>	<u>755,881</u>	<u>2,179,756</u>
Total liabilities and fund balances	<u>\$ 1,181</u>	<u>\$ 88,365</u>	<u>\$ 193,267</u>	<u>\$ 49,442</u>	<u>\$ 294,373</u>	<u>\$ 218,511</u>	<u>\$ 141,157</u>	<u>\$ 805,957</u>	<u>\$ 2,695,827</u>

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CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Debt Service Funds
 For The Year Ended December 31, 2012

Statement 18
Page 1 of 2

	Refunding Certificates of Participation of 2011	G.O. Capital Improvement Plan Bonds of 2004	G.O. Street Reconstruction Bonds of 2006	G.O. Tax Increment Refunding Bonds of 2007
Revenues				
General property taxes	\$ —	\$ 140,746	\$ 228,372	\$ —
Special assessments	—	—	—	—
Intergovernmental	—	—	—	—
Earnings on investments	5,534	710	1,111	18
Other	16,294	—	—	—
Total revenues	<u>21,828</u>	<u>141,456</u>	<u>229,483</u>	<u>18</u>
Expenditures				
Debt service				
Principal	290,000	100,000	150,000	140,000
Interest and paying agent fees	175,353	39,298	82,061	44,475
Total expenditures	<u>465,353</u>	<u>139,298</u>	<u>232,061</u>	<u>184,475</u>
Revenues over (under) expenditures	<u>(443,525)</u>	<u>2,158</u>	<u>(2,578)</u>	<u>(184,457)</u>
Other financing sources (uses)				
Transfers in	445,000	—	—	184,000
Transfers out	—	—	—	—
Total other financing sources (uses)	<u>445,000</u>	<u>—</u>	<u>—</u>	<u>184,000</u>
Net change in fund balances	<u>1,475</u>	<u>2,158</u>	<u>(2,578)</u>	<u>(457)</u>
Fund balances – January 1	<u>540,502</u>	<u>135,077</u>	<u>215,582</u>	<u>4,886</u>
Fund balances – December 31	<u>\$ 541,977</u>	<u>\$ 137,235</u>	<u>\$ 213,004</u>	<u>\$ 4,429</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Debt Service Funds
For The Year Ended December 31, 2012

Statement 18
Page 2 of 2

	G.O. Tax Increment Refunding Bonds of 2004	G.O. Improvement Bonds of 1995	G.O. Improvement Bonds of 2001	G.O. Improvement Bonds of 2002	G.O. Improvement Bonds of 2004	G.O. Improvement Bonds of 2006	G.O. Improvement Bonds of 2008	G.O. Improvement Bonds of 2009	G.O. Improvement Bonds of 2010	Closed Bonds	Total Nonmajor Debt Service Funds
Revenues											
General property taxes	\$ —	\$ —	\$ —	\$ 56,299	\$ —	\$ 9,861	\$ —	\$ —	\$ —	\$ —	\$ 435,278
Special assessments	—	712	18,412	16,864	35,896	7,667	61,403	19,066	11,772	80	171,872
Intergovernmental	—	—	—	—	—	—	—	—	1,330	—	1,330
Earnings on investments	—	119	—	305	1,617	115	1,442	971	674	9,842	22,458
Other	—	—	—	—	—	—	—	—	—	—	16,294
Total revenues	—	831	18,412	73,468	37,513	17,643	62,845	20,037	13,776	9,922	647,232
Expenditures											
Debt service											
Principal	370,000	65,000	80,000	45,000	45,000	15,000	15,000	20,000	—	—	1,335,000
Interest and paying agent fees	19,024	2,126	3,328	5,468	7,313	5,228	12,696	7,633	3,820	—	407,823
Total expenditures	389,024	67,126	83,328	50,468	52,313	20,228	27,696	27,633	3,820	—	1,742,823
Revenues over (under) expenditures	(389,024)	(66,295)	(64,916)	23,000	(14,800)	(2,585)	35,149	(7,596)	9,956	9,922	(1,095,591)
Other financing sources (uses)											
Transfers in	389,000	—	—	—	—	—	—	—	—	9,114	1,027,114
Transfers out	—	(4,402)	(4,712)	—	—	—	—	—	—	—	(9,114)
Total other financing sources (uses)	389,000	(4,402)	(4,712)	—	—	—	—	—	—	9,114	1,018,000
Net change in fund balances	(24)	(70,697)	(69,628)	23,000	(14,800)	(2,585)	35,149	(7,596)	9,956	19,036	(77,591)
Fund balances – January 1	1,205	70,697	69,628	47,915	162,021	22,159	109,904	91,839	49,087	736,845	2,257,347
Fund balances – December 31	\$ 1,181	\$ —	\$ —	\$ 70,915	\$ 147,221	\$ 19,574	\$ 145,053	\$ 84,243	\$ 59,043	\$ 755,881	\$ 2,179,756

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NONMAJOR CAPITAL PROJECT FUNDS

The City had the following capital project funds during the year:

Tax Increment Financing District #1 Non-Deluxe – This fund accounts for the receipt and use of tax increment collections in development district number two, from non-Deluxe parcels.

Tax Increment Financing District #1 Deluxe – This fund accounts for the receipt and use of tax increment collections in development district number two, from Deluxe parcels.

Tax Increment Financing District #2 City Center – This fund accounts for the receipt and use of tax increment collections in development district number two.

Tax Increment Financing District #4 Scandia Shores – This fund is used to account for the receipt and use of tax increment collections in tax increment district number four within development district number two.

Tax Increment Financing District #5 Shoreview Mall and Summer House Senior Housing – This fund is used to account for the receipt and use of tax increment collections in tax increment district number five within development district number two.

Tax Increment Financing District #6 Gateway – This fund is used to account for the receipt and use of tax increment collections in tax increment district number six within development district number two.

The following city improvement project funds are temporary capital project funds which are setup to account for construction costs and capital purchases indicated by the title of each fund.

- Capital Acquisition
- 2011 MSA Street Rehabilitation
- Demar Floral Rehabilitation
- Owasso Street Realignment
- County Road D Reconstruction
- Cottage Place Reconstruction
- 2013 Street Rehabilitation

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CITY OF SHOREVIEW, MINNESOTA

Subcombining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2012

Statement 19

	Tax Increment Financing			Tax Increment Financing					Total Nonmajor Capital Project Funds
	District #1 Non-Deluxe	District #2 City Center	District #4 Scandia Shores	District #5 Shoreview Mall and Summer House Senior Housing	District #6 Gateway	Capital Acquisition	Owasso Street Realignment	Cottage Place Reconstruction	
Assets									
Cash and investments	\$ 2,327,409	\$ 289,830	\$ 808	\$ 208,138	\$ 12,993	\$ 41,047	\$ 68	\$ 917	\$ 2,881,210
Accrued interest receivable	7,820	375	—	4,798	—	—	—	—	12,993
Loan receivable	108,806	—	—	—	—	—	—	—	108,806
Taxes receivable									
Delinquent	25,242	—	—	—	—	—	—	—	25,242
Interfund receivable	222,690	—	—	—	—	—	—	—	222,690
Total assets	<u>\$ 2,691,967</u>	<u>\$ 290,205</u>	<u>\$ 808</u>	<u>\$ 212,936</u>	<u>\$ 12,993</u>	<u>\$ 41,047</u>	<u>\$ 68</u>	<u>\$ 917</u>	<u>\$ 3,250,941</u>
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ —	\$ —	\$ —	\$ 9,256	\$ —	\$ —	\$ —	\$ 917	\$ 10,173
Interfund payable	—	—	—	—	—	—	222,690	—	222,690
Deferred revenue	25,242	—	—	—	—	—	—	—	25,242
Total liabilities	<u>25,242</u>	<u>—</u>	<u>—</u>	<u>9,256</u>	<u>—</u>	<u>—</u>	<u>222,690</u>	<u>917</u>	<u>258,105</u>
Fund balances (deficits)									
Restricted	2,666,725	290,205	808	203,680	12,993	—	—	—	3,174,411
Assigned	—	—	—	—	—	41,047	—	—	41,047
Unassigned	—	—	—	—	—	—	(222,622)	—	(222,622)
Total fund balances (deficits)	<u>2,666,725</u>	<u>290,205</u>	<u>808</u>	<u>203,680</u>	<u>12,993</u>	<u>41,047</u>	<u>(222,622)</u>	<u>—</u>	<u>2,992,836</u>
Total liabilities and fund balances	<u>\$ 2,691,967</u>	<u>\$ 290,205</u>	<u>\$ 808</u>	<u>\$ 212,936</u>	<u>\$ 12,993</u>	<u>\$ 41,047</u>	<u>\$ 68</u>	<u>\$ 917</u>	<u>\$ 3,250,941</u>

CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Capital Project Funds
For The Year Ended December 31, 2012

Statement 20
Page 1 of 2

	Tax Increment Financing				Tax Increment Financing						
	District #1 Non-Deluxe	District #1 Deluxe	District #2 City Center	District #4 Scandia Shores	District #5 Shoreview Mall and Summer House Senior Housing	District #6 Gateway	Capital Acquisition	2011 MSA Street Rehabilitation	Demar Floral Rehabilitation	Owasso Street Realignment	
Revenues											
Taxes											
Tax increments	\$ 594,513	\$ 456,842	\$ 493,445	\$ 100,185	\$ 230,743	\$ 104,323	\$ -	\$ -	\$ -	\$ -	
Charges for services	250	-	-	-	-	-	-	-	1,000	-	
Earnings on investments	34,417	1,529	1,358	27	17,376	188	-	-	-	68	
Total revenues	<u>629,180</u>	<u>458,371</u>	<u>494,803</u>	<u>100,212</u>	<u>248,119</u>	<u>104,511</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>68</u>	
Expenditures											
Current											
General government	-	-	-	-	-	-	43,776	-	-	-	
Public works	-	-	-	-	55,148	-	-	-	-	-	
Community development	205,520	400,874	2,671	50,185	1,524,828	106,877	-	-	-	-	
Capital outlay											
General government	-	-	-	-	-	-	113,447	-	-	-	
Public works	-	-	-	-	94,529	-	-	5,179	608,224	176,357	
Total expenditures	<u>205,520</u>	<u>400,874</u>	<u>2,671</u>	<u>50,185</u>	<u>1,674,505</u>	<u>106,877</u>	<u>157,223</u>	<u>5,179</u>	<u>608,224</u>	<u>176,357</u>	
Revenues over (under) expenditures	<u>423,660</u>	<u>57,497</u>	<u>492,132</u>	<u>50,027</u>	<u>(1,426,386)</u>	<u>(2,366)</u>	<u>(157,223)</u>	<u>(5,179)</u>	<u>(607,224)</u>	<u>(176,289)</u>	
Other financing sources (uses)											
Transfers in	80,260	-	50,000	-	-	-	157,223	5,179	613,500	-	
Transfers out	-	(80,260)	(573,000)	(50,000)	-	-	-	-	(6,276)	-	
Total other financing sources (uses)	<u>80,260</u>	<u>(80,260)</u>	<u>(523,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>157,223</u>	<u>5,179</u>	<u>607,224</u>	<u>-</u>	
Net change in fund balances	503,920	(22,763)	(30,868)	27	(1,426,386)	(2,366)	-	-	-	(176,289)	
Fund balances – January 1	2,162,805	22,763	321,073	781	1,630,066	15,359	41,047	-	-	(46,333)	
Fund balances – December 31	<u>\$ 2,666,725</u>	<u>\$ -</u>	<u>\$ 290,205</u>	<u>\$ 808</u>	<u>\$ 203,680</u>	<u>\$ 12,993</u>	<u>\$ 41,047</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (222,622)</u>	

CITY OF SHOREVIEW, MINNESOTA

Subcombining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 Nonmajor Capital Project Funds
 For The Year Ended December 31, 2012

Statement 20
Page 2 of 2

	County Road D Reconstruction	Cottage Place Reconstruction	2013 Street Rehabilitation	Total Nonmajor Capital Project Funds
Revenues				
Taxes				
Tax increments	\$ -	\$ -	\$ -	\$ 1,980,051
Charges for services	-	-	-	1,250
Earnings on investments	-	-	-	54,963
Total revenues	-	-	-	2,036,264
Expenditures				
Current				
General government	-	-	-	43,776
Public works	-	-	-	55,148
Community development	-	-	-	2,290,955
Capital outlay				
General government	-	-	-	113,447
Public works	28,954	10,036	4,642	927,921
Total expenditures	28,954	10,036	4,642	3,431,247
Revenues over (under) expenditures	(28,954)	(10,036)	(4,642)	(1,394,983)
Other financing sources (uses)				
Transfers in	28,954	10,036	4,642	949,794
Transfers out	-	-	-	(709,536)
Total other financing sources (uses)	28,954	10,036	4,642	240,258
Net change in fund balances	-	-	-	(1,154,725)
Fund balances – January 1	-	-	-	4,147,561
Fund balances – December 31	\$ -	\$ -	\$ -	\$ 2,992,836

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CITY OF SHOREVIEW, MINNESOTA

Nonmajor Special Revenue Fund – Recycling
Schedule of Revenues, Expenditures, and
Changes in Fund Balance – Budget and Actual
For The Year Ended December 31, 2012

Statement 21

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Intergovernmental	\$ 69,000	\$ 66,794	\$ (2,206)
Charges for services			
Recycling fees	451,300	454,552	3,252
Earnings on investments	–	885	885
Total revenues	<u>520,300</u>	<u>522,231</u>	<u>1,931</u>
Expenditures			
Public works			
Current			
Personal services	27,004	24,583	2,421
Materials and supplies	1,200	2,804	(1,604)
Contractual services	<u>461,270</u>	<u>447,622</u>	<u>13,648</u>
Total expenditures	<u>489,474</u>	<u>475,009</u>	<u>14,465</u>
Net change in fund balances	<u>\$ 30,826</u>	<u>47,222</u>	<u>\$ 16,396</u>
Fund balances – January 1		114,960	
Fund balances – December 31		<u>\$ 162,182</u>	

CITY OF SHOREVIEW, MINNESOTA

Nonmajor Special Revenue Fund – Cable TV

Schedule of Revenues, Expenditures, and

Changes in Fund Balance – Budget and Actual

For The Year Ended December 31, 2012

Statement 22

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services			
Franchise fees	\$ 280,000	\$ 301,530	\$ 21,530
Earnings on investments	1,800	2,056	256
Other	1,200	1,100	(100)
Total revenues	<u>283,000</u>	<u>304,686</u>	<u>21,686</u>
Expenditures			
General government			
Current			
Personal services	32,985	31,128	1,857
Materials and supplies	500	1,367	(867)
Contractual services	<u>131,610</u>	<u>109,242</u>	<u>22,368</u>
Total expenditures	<u>165,095</u>	<u>141,737</u>	<u>23,358</u>
Revenues over (under) expenditures	<u>117,905</u>	<u>162,949</u>	<u>45,044</u>
Other financing sources (uses)			
Transfers out	(121,950)	(127,989)	(6,039)
Net change in fund balances	<u>\$ (4,045)</u>	<u>34,960</u>	<u>\$ 39,005</u>
Fund balances – January 1		215,664	
Fund balances – December 31		<u>\$ 250,624</u>	

CITY OF SHOREVIEW, MINNESOTA

Nonmajor Special Revenue Fund – Slice of Shoreview Event

Statement 23

Schedule of Revenues, Expenditures, and

Changes in Fund Balance – Budget and Actual

For The Year Ended December 31, 2012

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
Charges for services	\$ 22,000	\$ 23,720	\$ 1,720
Earnings on investments	–	853	853
Contributions	25,000	38,896	13,896
Total revenues	<u>47,000</u>	<u>63,469</u>	<u>16,469</u>
Expenditures			
General government			
Current			
Materials and supplies	3,000	2,577	423
Contractual services	54,200	61,340	(7,140)
Total expenditures	<u>57,200</u>	<u>63,917</u>	<u>(6,717)</u>
Revenues over (under) expenditures	<u>(10,200)</u>	<u>(448)</u>	<u>9,752</u>
Other financing sources (uses)			
Transfer in	10,000	10,000	–
Net change in fund balances	<u>\$ (200)</u>	<u>9,552</u>	<u>\$ 9,752</u>
Fund balances – January 1		52,558	
Fund balances – December 31		<u>\$ 62,110</u>	

CITY OF SHOREVIEW, MINNESOTA

Nonmajor Special Revenue Fund – Economic Development Authority
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balance – Budget and Actual
 For The Year Ended December 31, 2012

Statement 24

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
General property taxes			
Current	\$ 55,000	\$ 54,324	\$ (676)
Other	–	34	34
Total general property taxes	55,000	54,358	(642)
Earnings on investments	–	2,367	2,367
Total revenues	55,000	56,725	1,725
Expenditures			
Community development			
Current			
Personal services	22,243	27,697	(5,454)
Supplies	2,000	2,583	(583)
Contractual services	25,540	21,485	4,055
Total expenditures	49,783	51,765	(1,982)
Net change in fund balance	\$ 5,217	4,960	\$ (257)
Fund balances – January 1		185,524	
Fund balances – December 31		\$ 190,484	

CITY OF SHOREVIEW, MINNESOTA

Nonmajor Special Revenue Fund – Housing and Redevelopment Authority

Statement 25

Schedule of Revenues, Expenditures, and

Changes in Fund Balance – Budget and Actual

For The Year Ended December 31, 2012

	Original and Final Budget	Actual Amounts	Variance With Final Budget
Revenues			
General property taxes			
Current	\$ 70,000	\$ 68,863	\$ (1,137)
Other	–	46	46
Total general property taxes	70,000	68,909	(1,091)
Earnings on investments	–	424	424
Total revenues	70,000	69,333	(667)
Expenditures			
Community development			
Current			
Personal services	23,726	29,344	(5,618)
Contractual services	30,000	13,519	16,481
Total expenditures	53,726	42,863	10,863
Net change in fund balance	\$ 16,274	26,470	\$ 10,196
Fund balances – January 1		35,700	
Fund balances – December 31		\$ 62,170	

INTERNAL SERVICE FUNDS

The internal service funds were established to account for the financing of goods or services provided by one department to other departments of the City on a cost-reimbursement basis. Records are maintained on the accrual basis of accounting.

Short-Term Disability Self-Insurance Fund – This fund accounts for the receipt of monthly premiums paid by employees and costs incurred in providing short-term disability insurance to employees on a self-insured basis.

Liability Claims Fund – This fund was established to account for losses in the City's general package insurance under the deductible amount of \$25,000 per loss/\$75,000 annual limit.

Central Garage Fund – This fund accounts for the operation of the Service Center and vehicle maintenance and replacement. Rental rates and user fees are charged to various departments for the use of the facility and equipment.

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Net Position

Internal Service Funds

December 31, 2012

Statement 26

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Assets				
Current assets				
Cash and investments	\$ 40,176	\$ 221,603	\$ 1,122,633	\$ 1,384,412
Accrued interest receivable	—	679	3,254	3,933
Accounts receivable	—	—	600	600
Taxes receivable	—	—	4,447	4,447
Due from other governmental units	—	—	35,967	35,967
Prepaid items	—	—	2,644	2,644
Total current assets	40,176	222,282	1,169,545	1,432,003
Noncurrent assets				
Capital assets				
Land	—	—	36,293	36,293
Buildings and structures	—	—	6,786,055	6,786,055
Machinery and equipment	—	—	4,961,198	4,961,198
Total capital assets	—	—	11,783,546	11,783,546
Less accumulated depreciation	—	—	(3,347,892)	(3,347,892)
Total capital assets (net of accumulated depreciation)	—	—	8,435,654	8,435,654
Total assets	40,176	222,282	9,605,199	9,867,657
Liabilities				
Current liabilities				
Accounts payable	—	—	15,585	15,585
Salaries payable	572	—	3,242	3,814
Accrued bond interest payable	—	—	102,764	102,764
Compensated absences payable	—	—	534	534
General obligation bonds payable	—	—	245,000	245,000
Total current liabilities	572	—	367,125	367,697
Noncurrent liabilities				
Compensated absences payable (net of current portion)	—	—	4,254	4,254
General obligation bonds payable (net of current portion)	—	—	5,270,000	5,270,000
Total noncurrent liabilities	—	—	5,274,254	5,274,254
Total liabilities	572	—	5,641,379	5,641,951
Net position				
Net investment in capital assets	—	—	2,920,654	2,920,654
Unrestricted	39,604	222,282	1,043,166	1,305,052
Total net position	\$ 39,604	\$ 222,282	\$ 3,963,820	\$ 4,225,706

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Revenues, Expenses, and
Changes in Fund Net Position
Internal Service Funds
For The Year Ended December 31, 2012

Statement 27

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Operating revenues				
Customer billings	\$ 7,608	\$ —	\$ 1,143,847	\$ 1,151,455
Operating expenses				
Personal services	10,043	—	184,419	194,462
Materials and supplies	—	—	274,635	274,635
Contractual services	—	34,737	44,278	79,015
Utilities	—	—	24,413	24,413
Insurance	—	—	22,914	22,914
Depreciation	—	—	619,921	619,921
Total operating expenses	10,043	34,737	1,170,580	1,215,360
Operating income (loss)	(2,435)	(34,737)	(26,733)	(63,905)
Nonoperating revenues (expenses)				
General property taxes	—	—	214,382	214,382
Earnings on investments	536	2,458	12,008	15,002
Gain on sale of capital assets	—	—	26,311	26,311
Loss on disposal of capital assets	—	—	(20,841)	(20,841)
Other	—	62,507	1,642	64,149
Interest and paying agent fees	—	—	(247,157)	(247,157)
Total nonoperating revenues (expenses)	536	64,965	(13,655)	51,846
Income (loss) before contributions and transfers	(1,899)	30,228	(40,388)	(12,059)
Capital contributions	—	—	114,106	114,106
Transfers				
Transfer in	—	—	180,600	180,600
Transfer out	—	—	(3,729)	(3,729)
Total transfers	—	—	176,871	176,871
Change in net position	(1,899)	30,228	250,589	278,918
Net position – January 1	41,503	192,054	3,713,231	3,946,788
Net position – December 31	\$ 39,604	\$ 222,282	\$ 3,963,820	\$ 4,225,706

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Cash Flows

Internal Service Funds

For The Year Ended December 31, 2012

Statement 28

	Short-Term Disability Self-Insurance	Liability Claims	Central Garage	Total
Cash flows from operating activities				
Receipts from interfund services provided	\$ 7,608	\$ –	\$ 1,143,847	\$ 1,151,455
Payments to suppliers	–	(35,318)	(371,327)	(406,645)
Payments to employees	(9,471)	–	(183,928)	(193,399)
Miscellaneous revenue	–	62,507	1,642	64,149
Net cash flows from operating activities	<u>(1,863)</u>	<u>27,189</u>	<u>590,234</u>	<u>615,560</u>
Cash flows from noncapital financing activities				
Transfers to other funds	–	–	(3,729)	(3,729)
Cash flows from capital and related financing activities				
Proceeds from sales of capital assets	–	–	84,819	84,819
Acquisition and construction of capital assets	–	–	(489,037)	(489,037)
Receipts from taxpayers	–	–	211,611	211,611
Transfers from other funds	–	–	180,600	180,600
Capital contributions	–	–	114,281	114,281
Principal paid on capital debt	–	–	(100,000)	(100,000)
Interest and paying agent fees on capital debt	–	–	(247,657)	(247,657)
Net cashflows from capital and related financing activities	<u>–</u>	<u>–</u>	<u>(245,383)</u>	<u>(245,383)</u>
Cash flows from investing activities				
Earnings on investments	<u>536</u>	<u>2,431</u>	<u>11,674</u>	<u>14,641</u>
Net change in cash and cash equivalents	(1,327)	29,620	352,796	381,089
Cash and cash equivalents – January 1	<u>41,503</u>	<u>191,983</u>	<u>769,837</u>	<u>1,003,323</u>
Cash and cash equivalents – December 31	<u>\$ 40,176</u>	<u>\$ 221,603</u>	<u>\$ 1,122,633</u>	<u>\$ 1,384,412</u>
Reconciliation of operating income (loss) to net cash flows from operating activities				
Operating income (loss)	\$ (2,435)	\$ (34,737)	\$ (26,733)	\$ (63,905)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Miscellaneous revenue	–	62,507	1,642	64,149
Depreciation	–	–	619,921	619,921
Decrease (increase) in receivables	–	–	(566)	(566)
Decrease (increase) in prepaid items	–	–	(100)	(100)
Increase (decrease) in payables	572	(581)	(3,930)	(3,939)
Total adjustments	<u>572</u>	<u>61,926</u>	<u>616,967</u>	<u>679,465</u>
Net cash flows from operating activities	<u>\$ (1,863)</u>	<u>\$ 27,189</u>	<u>\$ 590,234</u>	<u>\$ 615,560</u>
Noncash investing, capital, and financing activities				
Capital asset purchase on account - Accounts payable	\$ –	\$ –	\$ (3,272)	\$ (3,272)
Capital asset purchase on account - Contracts payable	–	–	(1,000)	(1,000)
Due from other governmental units -				
Capital contribution	–	–	(175)	(175)
Sale of capital assets	–	–	(20,000)	(20,000)
Taxes receivable	–	–	2,771	2,771

FIDUCIARY FUNDS

Agency funds account for assets held by a governmental unit in a custodial capacity as an agent for individuals, private organizations, other governmental units, and other funds. The City has the following agency funds:

Hockey Association – This fund accounts for the temporary investment of assets retained by the City pursuant to agreements between the communities of Shoreview, Arden Hills, Mounds View, and New Brighton, and the state of Minnesota Amateur Sports Commission regarding the purchase of ice time at the National Sports Center Ice Arena located in the City of Blaine.

Lake Johanna Volunteer Fire Department – This fund accounts for the temporary receipt and payment of the Lake Johanna Volunteer Fire Department State Fire Aid.

CITY OF SHOREVIEW, MINNESOTA
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2012

Statement 29

	Agency		
	Hockey Association	Lake Johanna Volunteer Fire Department	Total
Assets			
Cash and investments	\$ 407,369	\$ —	\$ 407,369
Accrued interest receivable	42	—	42
Total assets	<u>\$ 407,411</u>	<u>\$ —</u>	<u>\$ 407,411</u>
Liabilities			
Deposits payable	<u>\$ 407,411</u>	<u>\$ —</u>	<u>\$ 407,411</u>

CITY OF SHOREVIEW, MINNESOTA

Combining Statement of Changes in Assets and Liabilities

Statement 30

Agency Funds

For The Year Ended December 31, 2012

	Agency			
	Balance – January 1, 2012	Additions	Deletions	Balance – December 31, 2012
Hockey Association				
Assets				
Cash and investments	\$ 408,316	\$ 7,145	\$ 8,092	\$ 407,369
Accrued interest receivable	928	42	928	42
Total assets	<u>\$ 409,244</u>	<u>\$ 7,187</u>	<u>\$ 9,020</u>	<u>\$ 407,411</u>
Liabilities				
Deposits payable	<u>\$ 409,244</u>	<u>\$ 7,187</u>	<u>\$ 9,020</u>	<u>\$ 407,411</u>
Lake Johanna Volunteer Fire Department				
Assets				
Cash and investments	<u>\$ –</u>	<u>\$ 189,470</u>	<u>\$ 189,470</u>	<u>\$ –</u>
Liabilities				
State fire aid payable	<u>\$ –</u>	<u>\$ 189,470</u>	<u>\$ 189,470</u>	<u>\$ –</u>
Total				
Assets				
Cash and investments	\$ 408,316	\$ 196,615	\$ 197,562	\$ 407,369
Accrued interest receivable	928	42	928	42
Total assets	<u>\$ 409,244</u>	<u>\$ 196,657</u>	<u>\$ 198,490</u>	<u>\$ 407,411</u>
Liabilities				
Deposits payable	\$ 409,244	\$ 7,187	\$ 9,020	\$ 407,411
State fire aid payable	–	189,470	189,470	–
Total liabilities	<u>\$ 409,244</u>	<u>\$ 196,657</u>	<u>\$ 198,490</u>	<u>\$ 407,411</u>

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**FINANCIAL SECTION –
SUPPLEMENTARY FINANCIAL INFORMATION**

SUPPLEMENTARY FINANCIAL INFORMATION

CITY OF SHOREVIEW, MINNESOTA

 Combining Schedule of Indebtedness
 December 31, 2012

Exhibit 1

	Interest Rate	Issue Date	Maturity Date	Prior Years		Outstanding 12/31/2011	2012		Outstanding 12/31/2012	Principal Due in 2013	Interest Due in 2013
				Authorized and Issued	Payments		Issued	Payments			
Bonded indebtedness											
G.O. improvement bonds											
1995 Improvement Bonds	4.10–5.50%	12/01/1995	02/01/2012	\$ 850,000	\$ 785,000	\$ 65,000	\$ –	\$ 65,000	\$ –	\$ –	\$ –
2001 Improvement Bonds	2.65–4.05%	11/01/2001	02/01/2012	635,000	555,000	80,000	–	80,000	–	–	–
2002 Improvement Bonds	2.50–3.65%	11/01/2002	02/01/2014	430,000	285,000	145,000	–	45,000	100,000	50,000	2,700
2004 Improvement Bonds	1.25–3.75%	02/01/2004	02/01/2016	455,000	230,000	225,000	–	45,000	180,000	45,000	5,688
2006 Improvement Bonds	3.25–4.00%	03/01/2006	02/01/2022	205,000	60,000	145,000	–	15,000	130,000	15,000	4,630
2008 Improvement Bonds	3.50–4.375%	11/15/2008	02/01/2025	330,000	15,000	315,000	–	15,000	300,000	20,000	12,000
2009 Improvement Bonds	3.00–4.00%	11/15/2009	02/01/2021	235,000	–	235,000	–	20,000	215,000	20,000	6,963
2010 Improvement Bonds	1.00–4.00%	12/16/2010	02/01/2022	140,000	–	140,000	–	–	140,000	10,000	3,749
Total G.O. improvement bonds				3,280,000	1,930,000	1,350,000	–	285,000	1,065,000	160,000	35,730
G.O. tax increment bonds											
G.O. Refunding Tax Increment Bonds of 2004	1.50–3.40%	02/01/2004	02/01/2013	2,625,000	1,885,000	740,000	–	370,000	370,000	370,000	6,290
G.O. Refunding Tax Increment Bonds of 2007	4.00%	11/01/2007	12/01/2015	1,090,000	–	1,090,000	–	140,000	950,000	260,000	38,000
Total G.O. tax increment bonds				3,715,000	1,885,000	1,830,000	–	510,000	1,320,000	630,000	44,290
Other G.O. improvement bonds											
G.O. Capital Improvement Plan Bonds of 2004	2.00–4.10%	10/01/2004	02/01/2020	1,600,000	525,000	1,075,000	–	100,000	975,000	105,000	35,281
G.O. Street Improvement Bonds of 2006	4.00–4.20%	06/01/2006	02/01/2022	2,500,000	485,000	2,015,000	–	150,000	1,865,000	155,000	72,780
G.O. Capital Improvement Plan Bonds of 2010	1.20–5.85%	03/10/2010	02/01/2030	5,615,000	–	5,615,000	–	100,000	5,515,000	245,000	244,489
Total other G.O. improvement bonds				9,715,000	1,010,000	8,705,000	–	350,000	8,355,000	505,000	352,550
G.O. revenue bonds											
G.O. Water Revenue Bonds of 1999	4.15–5.20%	11/01/1999	02/01/2012	1,015,000	905,000	110,000	–	110,000	–	–	–
G.O. Water Revenue Bonds of 2001	2.30–4.05%	11/01/2001	02/01/2012	680,000	600,000	80,000	–	80,000	–	–	–
G.O. Water Revenue Bonds of 2002	2.50–3.65%	11/01/2002	02/01/2014	295,000	205,000	90,000	–	30,000	60,000	30,000	1,620
G.O. Water Revenue Bonds of 2004	1.25–3.75%	02/01/2004	02/01/2016	445,000	270,000	175,000	–	40,000	135,000	40,000	4,122
G.O. Water Revenue Bonds of 2006	3.25–4.00%	03/01/2006	02/01/2022	860,000	185,000	675,000	–	50,000	625,000	50,000	22,885
G.O. Water Revenue Bonds of 2007	3.50–4.15%	11/01/2007	02/01/2023	845,000	125,000	720,000	–	50,000	670,000	50,000	25,227
G.O. Water Revenue Bonds of 2008	3.50–4.375%	11/15/2008	02/01/2025	2,365,000	205,000	2,160,000	–	120,000	2,040,000	120,000	81,945
G.O. Water Revenue Bonds of 2010	0.75–4.60%	12/16/2010	02/01/2026	1,240,000	–	1,240,000	–	70,000	1,170,000	75,000	37,289
G.O. Sewer Revenue Bonds of 2004	1.25–3.75%	02/01/2004	02/01/2016	395,000	210,000	185,000	–	30,000	155,000	35,000	4,972
G.O. Sewer Revenue Bonds of 2006	3.25–4.00%	03/01/2006	02/01/2022	270,000	60,000	210,000	–	15,000	195,000	15,000	7,150
G.O. Sewer Revenue Bonds of 2007	3.50–4.15%	11/01/2007	02/01/2023	260,000	40,000	220,000	–	15,000	205,000	15,000	7,730
G.O. Sewer Revenue Bonds of 2008	3.50–4.375%	11/15/2008	02/01/2025	580,000	50,000	530,000	–	30,000	500,000	30,000	20,064
G.O. Sewer Revenue Bonds of 2010	0.75–4.60%	12/16/2010	02/01/2026	985,000	–	985,000	–	55,000	930,000	60,000	29,712
G.O. Surface Water Revenue Bonds of 2002	2.50–3.65%	11/01/2002	02/01/2014	475,000	330,000	145,000	–	45,000	100,000	50,000	2,700
G.O. Surface Water Revenue Bonds of 2004	1.25–3.75%	02/01/2004	02/01/2016	535,000	290,000	245,000	–	45,000	200,000	45,000	6,425
G.O. Surface Water Revenue Bonds of 2007	3.50–4.15%	11/01/2007	02/01/2023	600,000	90,000	510,000	–	35,000	475,000	35,000	17,887
G.O. Surface Water Revenue Bonds of 2008	3.50–4.375%	11/15/2008	02/01/2025	230,000	20,000	210,000	–	10,000	200,000	10,000	8,070
G.O. Surface Water Revenue Bonds of 2009	3.00–4.00%	11/15/2009	02/01/2021	1,180,000	90,000	1,090,000	–	100,000	990,000	100,000	32,050
G.O. Surface Water Revenue Bonds of 2010	0.75–4.60%	12/16/2010	02/01/2026	355,000	–	355,000	–	20,000	335,000	20,000	10,787
Total G.O. revenue bonds				13,610,000	3,675,000	9,935,000	–	950,000	8,985,000	780,000	320,635
Total bonded indebtedness				30,320,000	8,500,000	21,820,000	–	2,095,000	19,725,000	2,075,000	753,205
Refunding Certificates of Participation of 2011											
Loan payable	–	09/26/2006	N/A	6,000,000	–	6,000,000	–	–	6,000,000	–	–
Compensated absences	N/A	N/A	N/A	–	–	337,399	443,975	440,082	341,292	38,143	–
Total city indebtedness				\$ 40,940,000	\$ 8,500,000	\$ 32,777,399	\$ 443,975	\$ 2,825,082	\$ 30,396,292	\$ 2,458,143	\$ 877,420

N/A – Not Applicable

CITY OF SHOREVIEW, MINNESOTA

Taxable Valuations, Tax Levies, and Tax Rates

Exhibit 2

	Tax Capacity Values		Tax Capacity Values	
	2010/2011		2011/2012	
Taxable valuations				
Real estate	\$	32,422,015	\$	29,471,145
Personal property		276,239		296,285
Fiscal disparities net		(124,746)		(67,883)
Less captured tax increment value		(1,784,852)		(1,549,078)
Totals	\$	<u>30,788,656</u>	\$	<u>28,150,469</u>
Tax levies				
Year of extension		2010		2011
Year of collection		2011		2012
	Certified Levy	Tax Capacity Rate	Certified Levy	Tax Capacity Rate
Taxes levied				
General Fund	\$	6,343,983 *	\$	6,467,060
Shoreview EDA		25,000		55,000
Capital project funds		2,000,000		2,110,000
Debt service funds		527,000		442,026
Central Garage Fund		98,000		216,000
Totals	\$	<u>8,993,983</u>	\$	<u>9,290,086</u>
Shoreview HRA	\$	<u>57,730 **</u>	\$	<u>70,000</u>

* Reduced by market value homestead credit of \$351,751 to be paid by the state of Minnesota.

** Reduced by market value homestead credit of \$2,270 to be paid by the state of Minnesota.

CITY OF SHOREVIEW, MINNESOTA

Schedule of Deferred Tax Levies

Other General Obligation Bonds

December 31, 2012

Exhibit 3

Year of Tax Levy/Collection	G.O. Capital Improvement Plan Bonds of 2004	G.O. Capital Improvement Plan Bonds 2010	G.O. Street Improvement Bonds of 2006	Total
2012/2013	\$ 143,000	\$ 184,000	\$ 232,000	\$ 559,000
2013/2014	151,764	422,650	239,694	814,108
2014/2015	152,607	424,389	243,264	820,260
2015/2016	147,945	425,032	241,164	814,141
2016/2017	153,657	430,311	244,104	828,072
2017/2018	153,447	429,412	241,374	824,233
2018/2019	153,027	432,909	243,479	829,415
2019/2020	—	430,133	245,154	675,287
2020/2021	—	432,172	246,173	678,345
2021/2022	—	433,410	—	433,410
2022/2023	—	434,127	—	434,127
2023/2024	—	434,307	—	434,307
2024/2025	—	433,938	—	433,938
2025/2026	—	433,007	—	433,007
2026/2027	—	431,027	—	431,027
2027/2028	—	433,451	—	433,451
2028/2029	—	429,683	—	429,683
2029/2030	—	430,521	—	430,521
Totals	<u>\$ 1,055,447</u>	<u>\$ 7,504,479</u>	<u>\$ 2,176,406</u>	<u>\$ 10,736,332</u>

CITY OF SHOREVIEW, MINNESOTA

Schedule of Deferred Tax Levies

General Obligation Improvement Bonds

December 31, 2012

Exhibit 4

Year of Tax Levy/ Collection	G.O. Improvement Bonds				
	2004	2006	2009	2010	Total
2012/2013	\$ —	\$ —	\$ —	\$ —	\$ —
2013/2014	52,947	6,014	6,970	—	65,931
2014/2015	28,577	5,431	6,182	3,095	43,285
2015/2016	—	10,098	5,395	2,839	18,332
2016/2017	—	6,990	4,542	2,509	14,041
2017/2018	—	6,591	3,623	2,115	12,329
2018/2019	—	6,187	2,704	1,642	10,533
2019/2020	—	5,778	1,654	1,130	8,562
2020/2021	—	5,363	—	562	5,925
Total	<u>\$ 81,524</u>	<u>\$ 52,452</u>	<u>\$ 31,070</u>	<u>\$ 13,892</u>	<u>\$ 178,938</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2012

Exhibit 5

Page 1 of 2

Water Revenue Bonds						
	2002	2004	2006	2007	2008	2010
Bonds payable	\$ 60,000	\$ 135,000	\$ 625,000	\$ 670,000	\$ 2,040,000	\$ 1,170,000
Future interest payable	2,168	8,418	129,712	157,926	612,248	330,287
Totals	<u>\$ 62,168</u>	<u>\$ 143,418</u>	<u>\$ 754,712</u>	<u>\$ 827,926</u>	<u>\$ 2,652,248</u>	<u>\$ 1,500,287</u>
Payments to maturity						
2013	\$ 31,620	\$ 44,122	\$ 72,885	\$ 75,227	\$ 201,945	\$ 112,289
2014	30,548	42,723	75,995	73,415	202,195	111,445
2015	—	41,292	73,987	76,471	202,095	110,367
2016	—	15,281	76,860	74,409	201,795	113,918
2017	—	—	74,705	77,238	201,295	112,077
2018	—	—	77,425	74,943	200,595	109,878
2019	—	—	74,843	72,603	204,595	107,377
2020	—	—	77,130	75,117	203,175	109,548
2021	—	—	74,382	77,400	206,328	106,424
2022	—	—	76,500	74,547	204,081	103,130
2023	—	—	—	76,556	206,431	104,517
2024	—	—	—	—	208,234	100,625
2025	—	—	—	—	209,484	101,507
2026	—	—	—	—	—	97,185
	<u>\$ 62,168</u>	<u>\$ 143,418</u>	<u>\$ 754,712</u>	<u>\$ 827,926</u>	<u>\$ 2,652,248</u>	<u>\$ 1,500,287</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Revenue Bonds

December 31, 2012

Exhibit 5

Page 2 of 2

Sewer Revenue Bonds						Surface Water Revenue Bonds						
	2004	2006	2007	2008	2010	2002	2004	2007	2008	2009	2010	Total
Bonds payable	\$ 155,000	\$ 195,000	\$ 205,000	\$ 500,000	\$ 930,000	\$ 100,000	\$ 200,000	\$ 475,000	\$ 200,000	\$ 990,000	\$ 335,000	\$ 8,985,000
Future interest payable	11,612	40,190	48,825	149,456	263,891	3,611	15,193	111,445	60,229	166,825	95,694	2,207,730
Totals	<u>\$ 166,612</u>	<u>\$ 235,190</u>	<u>\$ 253,825</u>	<u>\$ 649,456</u>	<u>\$ 1,193,891</u>	<u>\$ 103,611</u>	<u>\$ 215,193</u>	<u>\$ 586,445</u>	<u>\$ 260,229</u>	<u>\$ 1,156,825</u>	<u>\$ 430,694</u>	<u>\$ 11,192,730</u>
Payments to maturity												
2013	\$ 39,972	\$ 22,150	\$ 22,730	\$ 50,064	\$ 89,712	\$ 52,700	\$ 51,425	\$ 52,887	\$ 18,070	\$ 132,050	\$ 30,787	\$ 1,100,635
2014	43,660	21,610	22,186	48,902	89,037	50,911	54,762	51,619	17,683	129,050	30,563	1,096,304
2015	42,230	25,970	21,631	47,701	88,175	—	52,975	55,230	22,182	130,975	30,275	1,021,556
2016	40,750	25,230	21,069	51,401	87,058	—	56,031	53,730	21,582	127,825	29,902	996,841
2017	—	24,480	25,407	50,001	85,677	—	—	52,220	20,983	129,463	34,380	887,926
2018	—	23,720	24,642	48,601	88,953	—	—	55,594	20,382	125,750	33,693	884,176
2019	—	22,955	23,862	52,101	86,922	—	—	53,839	19,782	126,812	32,911	878,602
2020	—	22,180	23,068	50,471	84,695	—	—	52,050	19,171	127,400	32,055	876,060
2021	—	21,395	22,263	48,811	87,212	—	—	55,138	18,549	127,500	31,136	876,538
2022	—	25,500	21,448	52,025	84,500	—	—	53,100	17,919	—	30,168	742,918
2023	—	—	25,519	50,112	81,612	—	—	51,038	22,175	—	29,136	647,096
2024	—	—	—	48,172	83,475	—	—	—	21,313	—	28,055	489,874
2025	—	—	—	51,094	80,138	—	—	—	20,438	—	26,943	489,604
2026	—	—	—	—	76,725	—	—	—	—	—	30,690	204,600
	<u>\$ 166,612</u>	<u>\$ 235,190</u>	<u>\$ 253,825</u>	<u>\$ 649,456</u>	<u>\$ 1,193,891</u>	<u>\$ 103,611</u>	<u>\$ 215,193</u>	<u>\$ 586,445</u>	<u>\$ 260,229</u>	<u>\$ 1,156,825</u>	<u>\$ 430,694</u>	<u>\$ 11,192,730</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity
 General Obligation Improvement Bonds
 December 31, 2012

Exhibit 6

		G.O. Improvement Bonds						
		2002	2004	2006	2008	2009	2010	Total
Bonds payable		\$ 100,000	\$ 180,000	\$ 130,000	\$ 300,000	\$ 215,000	\$ 140,000	\$ 1,065,000
Future interest payable		3,612	12,963	22,505	88,926	35,856	23,812	187,674
Total		<u>\$ 103,612</u>	<u>\$ 192,963</u>	<u>\$ 152,505</u>	<u>\$ 388,926</u>	<u>\$ 250,856</u>	<u>\$ 163,812</u>	<u>\$ 1,252,674</u>
Payments to maturity								
2013	\$ 52,700	\$ 50,688	\$ 19,630	\$ 32,000	\$ 26,963	\$ 13,749	\$ 195,730	
2014	50,912	49,112	19,090	31,225	26,363	13,636	190,338	
2015	—	52,413	18,543	30,425	30,687	18,452	150,520	
2016	—	40,750	17,987	29,625	29,937	18,172	136,471	
2017	—	—	22,330	28,825	29,156	17,828	98,139	
2018	—	—	11,760	28,025	28,313	17,415	85,513	
2019	—	—	11,378	27,225	27,437	16,946	82,986	
2020	—	—	10,989	31,307	26,500	16,433	85,229	
2021	—	—	10,598	30,269	25,500	15,881	82,248	
2022	—	—	10,200	29,219	—	15,300	54,719	
2023	—	—	—	28,156	—	—	28,156	
2024	—	—	—	31,969	—	—	31,969	
2025	—	—	—	30,656	—	—	30,656	
		<u>\$ 103,612</u>	<u>\$ 192,963</u>	<u>\$ 152,505</u>	<u>\$ 388,926</u>	<u>\$ 250,856</u>	<u>\$ 163,812</u>	<u>\$ 1,252,674</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

G.O. Tax Increment and Other General Obligation Bonds

December 31, 2012

Exhibit 7

	G.O. Tax Increment Bonds		Other G.O. Bonds			Total
	Refunding Bonds		Capital Plan	Street	Capital Plan	
	2004	2007	2004	2006	2010	
Bonds payable	\$ 370,000	\$ 950,000	\$ 975,000	\$ 1,865,000	\$ 5,515,000	\$ 9,675,000
Future interest payable	6,290	79,600	161,000	409,435	2,741,602	3,397,927
Total	<u>\$ 376,290</u>	<u>\$ 1,029,600</u>	<u>\$ 1,136,000</u>	<u>\$ 2,274,435</u>	<u>\$ 8,256,602</u>	<u>\$ 13,072,927</u>
Payments to maturity						
2013	\$ 376,290	\$ 298,000	\$ 140,281	\$ 227,780	\$ 489,489	\$ 1,531,840
2014	—	367,600	141,490	226,480	484,773	1,220,343
2015	—	364,000	142,439	224,980	483,825	1,215,244
2016	—	—	143,120	228,180	481,625	852,925
2017	—	—	138,620	226,080	483,295	847,995
2018	—	—	143,740	228,680	478,660	851,080
2019	—	—	143,440	225,882	477,650	846,972
2020	—	—	142,870	227,683	470,571	841,124
2021	—	—	—	228,965	467,587	696,552
2022	—	—	—	229,725	463,635	693,360
2023	—	—	—	—	458,908	458,908
2024	—	—	—	—	453,385	453,385
2025	—	—	—	—	447,047	447,047
2026	—	—	—	—	439,530	439,530
2027	—	—	—	—	430,625	430,625
2028	—	—	—	—	425,410	425,410
2029	—	—	—	—	414,033	414,033
2030	—	—	—	—	406,554	406,554
	<u>\$ 376,290</u>	<u>\$ 1,029,600</u>	<u>\$ 1,136,000</u>	<u>\$ 2,274,435</u>	<u>\$ 8,256,602</u>	<u>\$ 13,072,927</u>

CITY OF SHOREVIEW, MINNESOTA

Debt Service Payments to Maturity

Certificates of Participation

December 31, 2012

Exhibit 8

	Refunding Certificates of Participation 2011
	<hr/>
Bonds payable	\$ 4,330,000
Future interest payable	869,568
Total	<hr/> <hr/>
Payments to maturity	
2013	\$ 469,215
2014	467,315
2015	470,315
2016	467,935
2017	469,540
2018	474,978
2019	474,058
2020	477,057
2021	478,155
2022	473,750
2023	477,250
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CITY OF SHOREVIEW, MINNESOTA
Combining Schedule of Property and Equipment
For The Year Ended December 31, 2012

Exhibit 9

	Capital Assets					Accumulated Depreciation					Net Capital Assets	
	Balance – January 1, 2012	Additions	Deletions	Reclassification	Balance – December 31, 2012	Balance – January 1, 2012	Additions	Deletions	Reclassification	Balance – December 31, 2012	Balance – January 1, 2012	Balance – December 31, 2012
Governmental activities												
Governmental activities (excluding internal service funds)												
Land	\$ 7,688,052	\$ –	\$ –	\$ –	\$ 7,688,052	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 7,688,052	\$ 7,688,052
Buildings and structures	27,160,176	32,602	–	36,241	27,229,019	7,543,865	544,785	–	–	8,088,650	19,616,311	19,140,369
Machinery and equipment	2,521,865	250,659	77,866	99,339	2,793,997	1,509,535	148,329	53,243	–	1,604,621	1,012,330	1,189,376
Infrastructure	56,607,803	–	19,962	1,361,032	57,948,873	32,605,527	1,643,945	7,700	–	34,241,772	24,002,276	23,707,101
Construction in progress	1,568,832	987,867	–	(1,496,612)	1,060,087	–	–	–	–	–	1,568,832	1,060,087
Total	95,546,728	1,271,128	97,828	–	96,720,028	41,658,927	2,337,059	60,943	–	43,935,043	53,887,801	52,784,985
Internal service fund												
Central garage												
Land	36,293	–	–	–	36,293	–	–	–	–	–	36,293	36,293
Buildings and structures	6,786,055	–	–	–	6,786,055	977,244	248,277	–	–	1,225,521	5,808,811	5,560,534
Machinery and equipment	4,703,977	484,765	227,544	–	4,961,198	1,918,922	371,644	168,195	–	2,122,371	2,785,055	2,838,827
Total central garage	11,526,325	484,765	227,544	–	11,783,546	2,896,166	619,921	168,195	–	3,347,892	8,630,159	8,435,654
Total governmental activities	107,073,053	1,755,893	325,372	–	108,503,574	44,555,093	2,956,980	229,138	–	47,282,935	62,517,960	61,220,639
Business-type activities												
Water utility												
Land	27,577	–	–	–	27,577	–	–	–	–	–	27,577	27,577
Buildings and structures	6,452,565	–	–	–	6,452,565	2,426,293	179,943	–	–	2,606,236	4,026,272	3,846,329
Machinery and equipment	2,479,898	2,996	8,389	–	2,474,505	230,983	98,548	6,488	–	323,043	2,248,915	2,151,462
Distribution system	15,646,254	–	–	179,214	15,825,468	7,747,916	336,500	–	–	8,084,416	7,898,338	7,741,052
Construction in progress	173,593	402,818	–	(179,214)	397,197	–	–	–	–	–	173,593	397,197
Total water utility	24,779,887	405,814	8,389	–	25,177,312	10,405,192	614,991	6,488	–	11,013,695	14,374,695	14,163,617
Sewer utility												
Land	11,459	–	–	–	11,459	–	–	–	–	–	11,459	11,459
Buildings and structures	1,330,477	–	–	277,641	1,608,118	434,500	58,821	–	–	493,321	895,977	1,114,797
Machinery and equipment	46,707	2,996	2,957	–	46,746	29,250	2,900	2,957	–	29,193	17,457	17,553
Collection system	11,595,147	–	–	47,000	11,642,147	6,131,671	256,132	–	–	6,387,803	5,463,476	5,254,344
Construction in progress	251,651	173,990	–	(324,641)	101,000	–	–	–	–	–	251,651	101,000
Total sewer utility	13,235,441	176,986	2,957	–	13,409,470	6,595,421	317,853	2,957	–	6,910,317	6,640,020	6,499,153
Surface water management utility												
Land	265,166	–	–	–	265,166	–	–	–	–	–	265,166	265,166
Machinery and equipment	10,132	–	–	–	10,132	8,643	175	–	–	8,818	1,489	1,314
Collection system	10,342,542	–	–	258,325	10,600,867	1,903,551	221,002	–	–	2,124,553	8,438,991	8,476,314
Construction in progress	253,048	449,403	–	(258,325)	444,126	–	–	–	–	–	253,048	444,126
Total surface water management utility	10,870,888	449,403	–	–	11,320,291	1,912,194	221,177	–	–	2,133,371	8,958,694	9,186,920
Street light utility												
Machinery and equipment	723	–	–	–	723	108	72	–	–	180	615	543
Distribution system	1,502,023	–	19,201	153,969	1,636,791	978,378	39,969	19,201	–	999,146	523,645	637,645
Construction in progress	–	202,862	–	(153,969)	48,893	–	–	–	–	–	–	48,893
Total street light utility	1,502,746	202,862	19,201	–	1,686,407	978,486	40,041	19,201	–	999,326	524,260	687,081
Total business-type activities	50,388,962	1,235,065	30,547	–	51,593,480	19,891,293	1,194,062	28,646	–	21,056,709	30,497,669	30,536,771
Total government	\$ 157,462,015	\$ 2,990,958	\$ 355,919	\$ –	\$ 160,097,054	\$ 64,446,386	\$ 4,151,042	\$ 257,784	\$ –	\$ 68,339,644	\$ 93,015,629	\$ 91,757,410

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STATISTICAL SECTION

III. STATISTICAL SECTION (UNAUDITED)

This part of the City of Shoreview, Minnesota's (the City) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents:	Table No.
Financial Trends	1–5
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	6–12
These schedules contain information to help the reader assess the City's most significant revenue source, including the property tax and utility revenue.	
Debt Capacity	13–17
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	18–19
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Indicators	20–22
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides, and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF SHOREVIEW
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 1

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Net investment in capital assets	\$ 34,910,911	\$ 32,176,753	\$ 36,726,916	\$ 37,146,161	\$ 37,992,925	\$ 38,182,484	\$ 39,316,149	\$ 39,050,369	\$ 40,029,233	\$ 40,154,929
Restricted	3,329,951	6,416,990	3,672,378	3,944,143	4,570,921	3,453,661	4,507,834	5,329,637	6,325,795	5,364,477
Unrestricted	2,575,026	10,178,375	8,626,192	9,746,983	10,283,862	9,760,917	8,899,115	10,475,310	10,991,847	12,597,300
Total governmental activities net position	<u>\$ 40,815,888</u>	<u>\$ 48,772,118</u>	<u>\$ 49,025,486</u>	<u>\$ 50,837,287</u>	<u>\$ 52,847,708</u>	<u>\$ 51,397,062</u>	<u>\$ 52,723,098</u>	<u>\$ 54,855,316</u>	<u>\$ 57,346,875</u>	<u>\$ 58,116,706</u>
Business-type activities										
Net investment in capital assets	\$ 19,731,650	\$ 19,651,509	\$ 20,884,710	\$ 19,844,055	\$ 19,677,375	\$ 19,623,905	\$ 20,721,589	\$ 20,512,610	\$ 20,704,816	\$ 21,585,799
Restricted	913,925	751,051	761,313	550,207	437,425	441,550	432,375	408,379	246,811	183,496
Unrestricted	5,648,448	6,032,800	4,537,985	5,625,299	6,259,855	6,621,360	6,904,000	7,090,656	6,974,381	7,185,024
Total business-type activities net position	<u>\$ 26,294,023</u>	<u>\$ 26,435,360</u>	<u>\$ 26,184,008</u>	<u>\$ 26,019,561</u>	<u>\$ 26,374,655</u>	<u>\$ 26,686,815</u>	<u>\$ 28,057,964</u>	<u>\$ 28,011,645</u>	<u>\$ 27,926,008</u>	<u>\$ 28,954,319</u>
Primary government										
Net investment in capital assets	\$ 54,642,561	\$ 51,828,262	\$ 57,611,626	\$ 56,990,216	\$ 57,670,300	\$ 57,806,389	\$ 60,037,738	\$ 59,562,979	\$ 60,734,049	\$ 61,740,728
Restricted	4,243,876	7,168,041	4,433,691	4,494,350	5,008,346	3,895,211	4,940,209	5,738,016	6,572,606	5,547,973
Unrestricted	8,223,474	16,211,175	13,164,177	15,372,282	16,543,717	16,382,277	15,803,115	17,565,966	17,966,228	19,782,324
Total primary government net position	<u>\$ 67,109,911</u>	<u>\$ 75,207,478</u>	<u>\$ 75,209,494</u>	<u>\$ 76,856,848</u>	<u>\$ 79,222,363</u>	<u>\$ 78,083,877</u>	<u>\$ 80,781,062</u>	<u>\$ 82,866,961</u>	<u>\$ 85,272,883</u>	<u>\$ 87,071,025</u>

CITY OF SHOREVIEW
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 2
Page 1 of 2

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities										
General government	\$ 1,825,511	\$ 1,898,145	\$ 1,957,641	\$ 2,012,555	\$ 2,128,804	\$ 2,225,081	\$ 2,199,814	\$ 2,192,010	\$ 2,227,952	\$ 2,349,276
Public safety	1,964,113	2,016,911	2,120,855	2,280,770	2,283,009	2,659,654	2,612,926	2,642,094	2,783,332	3,113,032
Public works	3,323,143	3,230,781	4,134,959	3,249,104	3,520,883	3,860,277	3,737,382	3,512,821	3,909,642	3,998,390
Parks and recreation	4,903,365	4,645,904	4,969,529	5,030,570	4,980,839	5,862,962	5,931,822	5,737,675	6,169,365	6,128,769
Community development	611,463	817,033	907,790	979,173	886,415	2,555,177	1,357,296	1,472,700	1,398,228	2,904,944
Interest on long-term debt	908,407	791,421	670,144	576,390	675,827	572,356	524,858	697,523	911,854	595,009
Total governmental activities expenses	13,536,002	13,400,195	14,760,918	14,128,562	14,475,777	17,735,507	16,364,098	16,254,823	17,400,373	19,089,420
Business-type activities										
Water	1,557,147	1,542,071	1,679,459	1,776,555	1,792,092	1,927,324	1,912,770	2,051,213	2,281,299	2,206,516
Sewer	2,417,677	2,525,698	2,653,292	2,704,443	2,683,832	2,883,638	3,320,551	3,173,831	3,315,044	3,283,498
Surface water	534,283	584,250	583,521	659,539	700,644	753,179	755,520	906,527	966,638	1,019,008
Street lights	—	234,792	226,177	257,344	255,020	258,168	255,038	282,638	318,063	275,412
Total business-type activities expenses	4,509,107	4,886,811	5,142,449	5,397,881	5,431,588	5,822,309	6,243,879	6,414,209	6,881,044	6,784,434
Total primary government expenses	<u>\$ 18,045,109</u>	<u>\$ 18,287,006</u>	<u>\$ 19,903,367</u>	<u>\$ 19,526,443</u>	<u>\$ 19,907,365</u>	<u>\$ 23,557,816</u>	<u>\$ 22,607,977</u>	<u>\$ 22,669,032</u>	<u>\$ 24,281,417</u>	<u>\$ 25,873,854</u>
Program revenues										
Government activities										
Charges for services										
General government	\$ 1,074,619	\$ 1,168,903	\$ 1,270,942	\$ 1,246,723	\$ 1,332,706	\$ 1,333,609	\$ 1,384,028	\$ 1,493,412	\$ 1,597,025	\$ 1,549,907
Public safety	54,152	67,128	61,284	61,161	53,697	59,091	61,578	36,315	64,225	70,304
Public works	663,173	638,369	640,760	541,602	675,276	702,876	815,048	692,040	741,563	828,857
Parks and recreation	2,492,990	2,733,549	2,844,391	2,791,453	2,748,584	2,877,161	3,144,695	3,385,971	3,620,548	3,651,544
Community development	507,745	939,906	559,333	610,697	709,768	575,989	388,087	579,792	479,074	611,623
Operating grants and contributions	220,979	258,545	342,822	277,233	241,590	118,437	236,381	250,264	311,246	320,347
Capital grants and contributions	1,927,997	2,939,081	1,024,129	1,029,830	78,181	131,876	920,597	881,392	1,145,697	852,396
Total governmental activities program revenues	6,941,655	8,745,481	6,743,661	6,558,699	5,839,802	5,799,039	6,950,414	7,319,186	7,959,378	7,884,978
Business-type activities										
Charges for services										
Water	1,550,553	1,471,639	1,360,134	1,649,154	1,847,847	1,920,360	2,225,830	2,009,301	2,186,139	2,918,022
Sewer	2,251,429	2,348,124	2,462,406	2,616,043	2,695,914	2,849,000	3,151,607	3,254,199	3,548,325	3,568,777
Surface water	578,271	596,565	599,376	632,155	684,387	749,967	809,111	926,154	1,008,151	1,147,539
Street lights	—	197,552	197,108	218,101	232,419	303,697	334,047	348,778	365,475	456,284
Operating grants and contributions	11,641	11,942	—	—	—	—	—	—	—	—
Capital grants and contributions	—	397,692	50,730	32,290	220,512	87,063	1,088,613	37,176	27,878	109,985
Total business-type activities program revenues	4,391,894	5,023,514	4,669,754	5,147,743	5,681,079	5,910,087	7,609,208	6,575,608	7,135,968	8,200,607
Total primary government program revenue	<u>\$ 11,333,549</u>	<u>\$ 13,768,995</u>	<u>\$ 11,413,415</u>	<u>\$ 11,706,442</u>	<u>\$ 11,520,881</u>	<u>\$ 11,709,126</u>	<u>\$ 14,559,622</u>	<u>\$ 13,894,794</u>	<u>\$ 15,095,346</u>	<u>\$ 16,085,585</u>

CITY OF SHOREVIEW
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

Table 2
Page 2 of 2

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (expense) revenue										
Governmental activities	\$ (6,594,347)	\$ (4,654,714)	\$ (8,017,257)	\$ (7,569,863)	\$ (8,635,975)	\$ (11,936,468)	\$ (9,413,684)	\$ (8,935,637)	\$ (9,440,995)	\$ (11,204,442)
Business-type activities	(117,213)	136,703	(472,695)	(250,138)	249,491	87,778	1,365,329	161,399	254,924	1,416,173
Total primary government net expense	<u>\$ (6,711,560)</u>	<u>\$ (4,518,011)</u>	<u>\$ (8,489,952)</u>	<u>\$ (7,820,001)</u>	<u>\$ (8,386,484)</u>	<u>\$ (11,848,690)</u>	<u>\$ (8,048,355)</u>	<u>\$ (8,774,238)</u>	<u>\$ (9,186,071)</u>	<u>\$ (9,788,269)</u>
General revenues and other changes in net position										
Governmental activities										
Taxes										
Property taxes	\$ 5,745,774	\$ 6,250,274	\$ 6,452,818	\$ 6,966,696	\$ 7,584,996	\$ 7,919,725	\$ 8,328,002	\$ 8,620,022	\$ 8,911,670	\$ 9,243,083
Tax increments	1,391,261	1,514,784	1,556,678	1,638,599	1,785,481	1,840,640	2,007,418	1,935,523	2,035,627	1,980,051
Unrestricted grants and contributions	36,835	36,582	37,547	36,342	311,849	187,030	44,876	40,762	41,851	33,369
Investment earnings	179,755	261,132	282,518	565,522	776,753	503,337	192,083	168,822	374,378	231,716
Gain on disposal of capital assets	11,656	17,807	36,241	32,762	7,317	31,090	60,749	29,473	64,709	26,561
Forgiveness of debt	23,557	—	—	—	—	—	—	—	—	—
Miscellaneous	—	5,644	620	—	—	—	—	—	—	—
Transfers	(212,115)	123,186	(95,797)	141,743	180,000	4,000	106,592	273,253	504,319	459,493
Total governmental activities	<u>7,176,723</u>	<u>8,209,409</u>	<u>8,270,625</u>	<u>9,381,664</u>	<u>10,646,396</u>	<u>10,485,822</u>	<u>10,739,720</u>	<u>11,067,855</u>	<u>11,932,554</u>	<u>11,974,273</u>
Business-type activities										
Investment earnings	80,081	127,820	125,546	227,434	285,603	228,382	112,412	65,535	163,758	71,631
Transfers	212,115	(123,186)	95,797	(141,743)	(180,000)	(4,000)	(106,592)	(273,253)	(504,319)	(459,493)
Total business-type activities	<u>292,196</u>	<u>4,634</u>	<u>221,343</u>	<u>85,691</u>	<u>105,603</u>	<u>224,382</u>	<u>5,820</u>	<u>(207,718)</u>	<u>(340,561)</u>	<u>(387,862)</u>
Total primary government	<u>\$ 7,468,919</u>	<u>\$ 8,214,043</u>	<u>\$ 8,491,968</u>	<u>\$ 9,467,355</u>	<u>\$ 10,751,999</u>	<u>\$ 10,710,204</u>	<u>\$ 10,745,540</u>	<u>\$ 10,860,137</u>	<u>\$ 11,591,993</u>	<u>\$ 11,586,411</u>
Change in net position										
Governmental activities	\$ 582,376	\$ 3,554,695	\$ 253,368	\$ 1,811,801	\$ 2,010,421	\$ (1,450,646)	\$ 1,326,036	\$ 2,132,218	\$ 2,491,559	\$ 769,831
Business-type activities	174,983	141,337	(251,352)	(164,447)	355,094	312,160	1,371,149	(46,319)	(85,637)	1,028,311
Total primary government	<u>\$ 757,359</u>	<u>\$ 3,696,032</u>	<u>\$ 2,016</u>	<u>\$ 1,647,354</u>	<u>\$ 2,365,515</u>	<u>\$ (1,138,486)</u>	<u>\$ 2,697,185</u>	<u>\$ 2,085,899</u>	<u>\$ 2,405,922</u>	<u>\$ 1,798,142</u>

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CITY OF SHOREVIEW

Governmental Activities Tax Revenues by Source

Last Ten Fiscal Years

(Accrual Basis of Accounting)

Table 3

<u>Fiscal Year</u>	<u>General Property Tax</u>	<u>Tax Increments</u>	<u>Total</u>
2003	\$ 5,745,774	\$ 1,391,261	\$ 7,137,035
2004	6,250,274	1,514,784	7,765,058
2005	6,452,818	1,556,678	8,009,496
2006	6,966,696	1,638,599	8,605,295
2007	7,584,996	1,785,481	9,370,477
2008	7,919,725	1,840,640	9,760,365
2009	8,328,002	2,007,418	10,335,420
2010	8,620,022	1,935,523	10,555,545
2011	8,911,670	2,035,627	10,947,297
2012	9,243,083	1,980,051	11,223,134

CITY OF SHOREVIEW

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

Table 4

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)	2012
General Fund										
Nonspendable										
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,954	\$ 69,213
Unassigned	-	-	-	-	-	-	-	-	3,958,458	4,066,796
Reserved	269	12,293	11,763	41,139	46,887	47,363	48,559	6,463	-	-
Unreserved	<u>2,652,045</u>	<u>2,719,514</u>	<u>2,822,064</u>	<u>3,010,210</u>	<u>3,394,008</u>	<u>3,555,239</u>	<u>3,814,089</u>	<u>3,914,672</u>	<u>-</u>	<u>-</u>
Total General Fund	<u>\$ 2,652,314</u>	<u>\$ 2,731,807</u>	<u>\$ 2,833,827</u>	<u>\$ 3,051,349</u>	<u>\$ 3,440,895</u>	<u>\$ 3,602,602</u>	<u>\$ 3,862,648</u>	<u>\$ 3,921,135</u>	<u>\$ 3,976,412</u>	<u>\$ 4,136,009</u>
All other governmental funds										
Nonspendable										
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,924	\$ 8,680
Restricted	-	-	-	-	-	-	-	-	5,955,357	5,105,880
Committed	-	-	-	-	-	-	-	-	5,030,274	5,562,550
Assigned	-	-	-	-	-	-	-	-	1,200,724	1,858,594
Unassigned	-	-	-	-	-	-	-	-	(46,333)	(222,622)
Reserved	2,280,164	5,333,751	3,213,286	3,572,300	5,402,601	3,299,496	4,204,725	5,336,946	-	-
Unreserved, reported in										
Special revenue funds	981,581	1,037,895	927,985	930,430	922,183	952,644	1,083,914	1,338,648	-	-
Capital projects funds	<u>2,643,093</u>	<u>6,049,143</u>	<u>4,008,834</u>	<u>6,300,458</u>	<u>5,366,600</u>	<u>4,441,511</u>	<u>3,499,574</u>	<u>3,884,575</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 5,904,838</u>	<u>\$ 12,420,789</u>	<u>\$ 8,150,105</u>	<u>\$ 10,803,188</u>	<u>\$ 11,691,384</u>	<u>\$ 8,693,651</u>	<u>\$ 8,788,213</u>	<u>\$ 10,560,169</u>	<u>\$ 12,149,946</u>	<u>\$ 12,313,082</u>

(1) The implementation of Governmental Accounting Standards Board Statement No. 54 in 2011 resulted in a significant change in the City's fund balance classifications. Prior years information has not been restated.

CITY OF SHOREVIEW

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

Table 5

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes										
General property taxes	\$ 5,751,431	\$ 6,256,254	\$ 6,443,342	\$ 6,964,113	\$ 7,578,220	\$ 7,897,145	\$ 8,274,948	\$ 8,649,002	\$ 8,843,965	\$ 9,011,334
Tax increments	1,391,261	1,514,784	1,556,678	1,638,599	1,785,481	1,840,640	2,007,418	1,935,523	2,035,627	1,980,051
Special assessments	290,222	377,363	223,774	217,849	152,745	159,197	260,209	208,473	193,372	181,035
Licenses and permits	442,493	771,993	479,418	519,666	653,392	531,895	368,878	501,198	441,243	540,755
Intergovernmental	1,621,682	2,180,799	964,114	950,468	409,907	280,361	404,823	449,736	1,180,975	913,123
Charges for services	4,070,423	4,466,391	4,587,497	4,397,122	4,541,833	4,682,853	5,054,020	5,295,987	5,560,160	5,682,316
Fines and forfeits	47,964	61,173	55,782	52,605	49,462	55,814	55,582	32,813	62,135	67,000
Earnings on investments	165,456	240,566	264,449	527,272	727,810	477,652	179,965	133,828	352,042	216,714
Payments in lieu of taxes	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Antenna rental fees	102,899	116,564	147,194	142,183	147,056	156,934	178,643	228,607	319,150	246,611
Loan payments	10,000	144,500	14,500	14,500	14,500	21,750	21,750	21,750	21,750	–
Miscellaneous	228,213	480,067	396,400	238,796	198,053	81,209	68,358	88,001	87,816	197,984
Total revenues	<u>14,232,044</u>	<u>16,720,454</u>	<u>15,243,148</u>	<u>15,773,173</u>	<u>16,368,459</u>	<u>16,295,450</u>	<u>16,984,594</u>	<u>17,654,918</u>	<u>19,208,235</u>	<u>19,146,923</u>
Expenditures										
Current										
General government	1,660,675	1,723,973	1,797,619	1,837,668	1,929,640	2,009,234	1,982,564	2,086,403	2,062,470	2,205,967
Public safety	1,835,082	1,943,598	2,045,987	2,188,814	2,175,694	2,550,216	2,515,416	2,557,182	2,697,842	3,027,782
Public works	2,016,753	1,773,393	2,701,593	1,776,118	1,986,180	2,215,994	2,135,743	1,913,770	2,235,780	2,335,935
Parks and recreation	4,597,022	4,237,102	4,580,040	4,638,698	4,579,140	5,322,799	5,442,013	5,213,371	5,746,983	5,620,067
Community development	509,673	811,259	898,564	971,118	894,001	2,558,932	1,347,855	1,468,725	1,392,619	2,903,360
Miscellaneous	125,038	104,937	94,460	100,375	110,135	117,609	145,689	120,007	–	–
Capital outlay	4,771,845	2,416,176	2,667,448	8,078,575	2,472,723	1,520,192	1,932,761	1,295,891	2,191,037	1,362,235
Debt service										
Principal	1,619,370	1,409,351	1,626,674	1,670,000	1,550,000	1,705,000	1,115,000	1,120,000	1,125,000	1,335,000
Interest and paying agent fees	927,375	752,364	704,913	580,492	684,749	615,224	535,526	512,080	367,213	407,823
Payment to refunded bond escrow agent	–	–	–	–	–	–	–	–	85,989	–
Total expenditures	<u>18,062,833</u>	<u>15,172,153</u>	<u>17,117,298</u>	<u>21,841,858</u>	<u>16,382,262</u>	<u>18,615,200</u>	<u>17,152,567</u>	<u>16,287,429</u>	<u>17,904,933</u>	<u>19,198,169</u>
Revenues over (under) expenditures	<u>(3,830,789)</u>	<u>1,548,301</u>	<u>(1,874,150)</u>	<u>(6,068,685)</u>	<u>(13,803)</u>	<u>(2,319,750)</u>	<u>(167,973)</u>	<u>1,367,489</u>	<u>1,303,302</u>	<u>(51,246)</u>
Other financing sources (uses)										
Issuance of refunding debt	–	2,625,000	–	–	1,090,000	–	–	–	4,620,000	–
Loan issued	–	–	–	6,000,000	–	–	–	–	–	–
Bonds issued	–	2,055,000	–	2,705,000	–	330,000	235,000	140,000	–	–
Premium on bonds issued	–	1,255	–	–	17,027	–	6,150	–	–	–
Discount on debt issuance	–	(16,972)	–	(10,869)	–	(1,676)	–	(1,120)	(44,759)	–
Payments to refunded bond escrow agent	–	–	(2,550,000)	–	–	(1,085,000)	–	–	(4,575,241)	–
Sale of capital assets	9,128	–	9,106	5,159	–	400	8,431	–	752	250
Transfers in	219,344	382,860	246,380	240,000	244,518	240,000	273,000	324,074	341,000	373,729
Transfers out	–	–	–	–	(60,000)	–	–	–	–	–
Total other financing sources (uses)	<u>228,472</u>	<u>5,047,143</u>	<u>(2,294,514)</u>	<u>8,939,290</u>	<u>1,291,545</u>	<u>(516,276)</u>	<u>522,581</u>	<u>462,954</u>	<u>341,752</u>	<u>373,979</u>
Net change in fund balances	<u>\$ (3,602,317)</u>	<u>\$ 6,595,444</u>	<u>\$ (4,168,664)</u>	<u>\$ 2,870,605</u>	<u>\$ 1,277,742</u>	<u>\$ (2,836,026)</u>	<u>\$ 354,608</u>	<u>\$ 1,830,443</u>	<u>\$ 1,645,054</u>	<u>\$ 322,733</u>
Debt service as a percentage of noncapital expenditures	<u>19.2%</u>	<u>16.9%</u>	<u>16.1%</u>	<u>16.4%</u>	<u>16.1%</u>	<u>13.6%</u>	<u>10.8%</u>	<u>10.9%</u>	<u>9.5%</u>	<u>9.8%</u>

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CITY OF SHOREVIEW

 Taxable Net Tax Capacity Value and Estimated Market Value of Taxable Property
 Last Ten Fiscal Years

Table 6

Fiscal Year	Real Property		Personal Property	Agricultural and Miscellaneous	Less Captured Tax Increment Value	Total Taxable Net Tax Capacity Value	Total Direct Tax Rate	Total Market Value	Net Tax Capacity as a Percentage of Market Value
	Residential Property	Commercial Property							
2003	\$ 17,759,222	\$4,837,859	\$ 277,245	\$ 17,402	\$ 1,289,723	\$ 21,602,005	28.753%	\$1,994,116,600	1.1%
2004	19,838,893	5,718,678	267,246	20,633	1,426,915	24,418,535	27.067%	2,254,552,400	1.1%
2005	22,604,377	5,831,835	273,152	29,250	1,601,414	27,137,200	25.445%	2,544,617,800	1.1%
2006	25,308,639	6,526,392	280,671	24,285	1,665,131	30,474,856	23.974%	2,844,890,400	1.1%
2007	27,747,993	7,310,552	287,179	29,364	1,830,461	33,544,627	23.299%	3,124,914,300	1.1%
2008	28,781,938	8,444,482	278,268	23,059	2,129,346	35,398,401	23.532%	3,276,232,000	1.1%
2009	28,005,715	8,329,045	272,674	25,617	2,033,697	34,599,354	25.129%	3,198,277,000	1.1%
2010	26,372,797	8,238,244	269,727	8,996	1,933,124	32,956,640	27.569%	3,015,578,000	1.1%
2011	24,749,422	7,524,515	276,239	23,332	1,784,852	30,788,656	30.671%	2,838,577,100	1.1%
2012	22,153,383	7,228,211	296,285	21,668	1,549,078	28,150,469	33.252%	2,568,566,800	1.1%

Percentage of Total Net Tax Capacity Value

2003	82.2%	22.4%	1.3%	0.1%	6.0%	100.0%
2004	81.2%	23.4%	1.1%	0.1%	5.8%	100.0%
2005	83.3%	21.5%	1.0%	0.1%	5.9%	100.0%
2006	83.0%	21.4%	0.9%	0.1%	5.5%	100.0%
2007	82.7%	21.8%	0.9%	0.1%	5.5%	100.0%
2008	81.3%	23.9%	0.8%	0.1%	6.0%	100.0%
2009	80.9%	24.1%	0.8%	0.1%	5.9%	100.0%
2010	80.0%	25.0%	0.8%	0.1%	6.0%	100.0%
2011	80.4%	24.4%	0.9%	0.1%	5.8%	100.0%
2012	78.7%	25.7%	1.1%	0.1%	5.5%	100.0%

Tax exempt property values are not included in total net capacity value.

Source: Ramsey County Assessor's Office

CITY OF SHOREVIEW

Property Tax Rates

Direct and Overlapping (1) Governments

Last Ten Fiscal Years

Table 7

City of Shoreview	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Tax Capacity Rates:										
City of Shoreview										
General Fund	24.092%	21.287%	19.352%	18.244%	17.164%	16.972%	18.346%	20.053%	21.634%	23.148%
Special Revenue	—	—	—	—	—	—	—	—	0.085%	0.197%
Capital Project	3.855%	4.680%	4.865%	4.632%	4.403%	4.863%	5.175%	5.786%	6.821%	7.552%
Debt Service	0.806%	1.100%	1.228%	1.098%	1.732%	1.697%	1.608%	1.730%	1.797%	1.582%
Internal Service	—	—	—	—	—	—	—	—	0.334%	0.773%
Total City Tax Rate	28.753%	27.067%	25.445%	23.974%	23.299%	23.532%	25.129%	27.569%	30.671%	33.252%
Shoreview HRA	—	—	—	—	—	—	—	0.169%	0.198%	0.254%
Overlapping Rates										
Ramsey County	50.286%	49.439%	45.848%	43.554%	41.967%	41.158%	43.171%	46.598%	50.801%	56.945%
Ramsey County Library	4.317%	3.696%	3.362%	3.069%	2.976%	2.865%	3.375%	3.650%	3.877%	4.372%
Total County Tax Rate	54.603%	53.135%	49.210%	46.623%	44.943%	44.023%	46.546%	50.248%	54.678%	61.317%
Rice Creek Watershed	1.208%	1.206%	1.606%	1.794%	1.315%	1.608%	1.545%	1.511%	1.618%	2.348%
Metro Watershed	—	—	—	—	—	—	—	—	—	3.043%
School Districts										
District #621	21.984%	21.843%	22.112%	23.419%	23.264%	20.380%	22.937%	24.560%	25.573%	29.044%
District #623	12.486%	15.431%	16.713%	16.664%	12.372%	10.175%	10.624%	13.065%	14.566%	17.065%
District #916	0.098%	0.083%	0.075%	0.066%	—	—	—	—	—	—
Other										
Regional rail	1.407%	0.522%	0.833%	2.453%	3.956%	3.454%	3.521%	3.700%	3.921%	4.330%
Regional transit	1.852%	—	—	—	—	—	—	—	—	—
Metropolitan Council	1.506%	3.115%	2.755%	2.491%	2.174%	2.051%	2.084%	2.261%	2.313%	2.706%
Mosquito Control	0.586%	0.606%	0.588%	0.523%	0.501%	0.479%	0.487%	0.480%	0.503%	0.571%
Total Direct and Overlapping Tax Capacity Rates:										
Grass Lake, #621 & #916	110.789%	106.371%	101.018%	99.549%	98.137%	93.919%	100.704%	108.987%	117.857%	131.474%
Rice Creek, #621 & #916	111.997%	107.577%	102.624%	101.343%	99.452%	95.527%	102.249%	110.498%	119.475%	133.822%
Grass Lake, #623 & #916	101.291%	99.959%	95.619%	92.794%	87.245%	83.714%	88.391%	97.492%	106.850%	119.495%
Rice Creek, #623 & #916	102.499%	101.165%	97.225%	94.588%	88.560%	85.322%	89.936%	99.003%	108.468%	121.843%
State-Wide Tax Capacity Rates:										
Commercial, industrial, and non-electric public utilities	54.447%	54.109%	51.121%	50.827%	48.032%	45.949%	45.535%	45.881%	49.043%	51.100%
Cabins	54.447%	54.109%	51.121%	28.385%	24.225%	20.385%	18.214%	17.755%	19.145%	20.750%
Market Value Tax Rates:										
Overlapping Rates										
School Districts										
District #621	0.05178%	0.15947%	0.12131%	0.12803%	0.18163%	0.18924%	0.18685%	0.18882%	0.19536%	0.21242%
District #623	0.20792%	0.19583%	0.16244%	0.15115%	0.16932%	0.18134%	0.20390%	0.20374%	0.19715%	0.19591%

Source: Ramsey County Assessor's office

(1) Overlapping rates are those of local, county, regional, and state governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners (e.g. the rates for special districts apply only to the portion of the government's property owners whose property is located within the geographic boundaries of the special district).

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CITY OF SHOREVIEW
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 8

Taxpayer	2012				2003			
	Market Value	Taxable Net Tax Capacity Value	Rank	Percentage of Total Net Tax Capacity Value	Market Value	Taxable Net Tax Capacity Value	Rank	Percentage of Total Net Tax Capacity Value
Ari - Shoreview Corp. Center, LLC	\$ 45,573,300	\$ 910,716	1	3.24%	\$ —	\$ —	—	—
Wells Fargo	41,515,000	829,550	2	2.95%	6,963,700	138,524	9	0.64%
Deluxe Corporation	26,900,000	537,250	3	1.91%	29,000,000	579,250	2	2.68%
Dayton Hudson Corporation	15,000,000	299,250	4	1.06%	13,500,000	269,250	4	1.25%
Canis Rice Creek, LLC	14,200,000	282,500	5	1.00%	—	—	—	—
Terrace Apartments Company	21,645,800	270,572	8	0.96%	21,234,400	321,267	3	1.49%
Northern States Power Co.	13,221,900	264,438	6	0.94%	13,114,800	255,202	6	1.18%
Medtronic	11,370,000	226,650	7	0.81%	13,500,000	269,250	5	1.25%
Fox UTV Holdings Inc & Delaware Corp	9,703,600	191,664	9	0.68%	—	—	—	—
TSI Inc.	8,497,800	169,206	10	0.60%	—	—	—	—
Shoreview Associates, LLC	—	—	—	—	41,250,000	824,250	1	3.82%
Lakeshore Oaks Apartments	—	—	—	—	11,516,400	172,748	7	0.80%
George J. Reiling	—	—	—	—	7,138,500	141,270	8	0.65%
Carroll Ventures Company	—	—	—	—	6,639,300	99,590	10	0.46%
Total	<u>\$ 207,627,400</u>	<u>\$ 3,981,796</u>		<u>14.15%</u>	<u>\$ 163,857,100</u>	<u>\$ 3,070,601</u>		<u>14.22%</u>

Rank is based on Taxable Net Tax Capacity Value

Source: Ramsey County Board of Equalization and Assessment

CITY OF SHOREVIEW
Property Tax Levies and Collection:
Last Ten Fiscal Years

Table 9

Levy Year	Total Tax Levy for Fiscal Year (1)	Collections (Refunds) within the Fiscal Year						Collections (Refunds) within the Fiscal Year				Percentage Collected Within the Fiscal Year of the Levy	Total Collections to Date		Abatements and Adjustments	Total Uncollected		
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		Amount	Percentage of Levy		Amount	Percentage of Levy	
Property Taxes:																		
2002 and prior		\$ 124,182	\$ (8,877)	\$ 3,736	\$ 3,250	\$ 100	\$ 579	\$ –	\$ –	\$ –	\$ –		\$ 122,970		\$ 15			
2003	\$ 5,762,789	5,612,065	102,709	(4,105)	337	–	645	40	–	–	–	97.4%	5,711,691	99.1%	(51,098)	\$ –	0.00%	
2004	6,216,971	–	6,150,425	(11,970)	1,868	–	845	–	40	–	–	98.9%	6,141,208	98.8%	(75,763)	–	0.00%	
2005	6,567,362	–	–	6,444,720	42,719	(1,415)	3,164	942	135	205	–	98.1%	6,490,470	98.8%	(76,892)	–	0.00%	
2006	7,028,114	–	–	–	6,907,441	74,370	(20,580)	1,585	981	(6,484)	127	98.3%	6,957,440	99.0%	(69,667)	1,007	0.01%	
2007	7,557,202	–	–	–	–	7,498,003	2,782	3,568	5,152	(10,043)	369	99.2%	7,499,831	99.2%	(55,220)	2,151	0.03%	
2008	8,045,252	–	–	–	–	–	7,906,905	38,347	767	(16,093)	908	98.3%	7,930,834	98.6%	(110,332)	4,086	0.05%	
2009	8,350,663	–	–	–	–	–	–	8,224,205	23,468	(27,916)	(4,727)	98.5%	8,215,030	98.4%	(131,742)	3,891	0.05%	
2010	8,731,773	–	–	–	–	–	–	–	8,608,884	29,965	(69,854)	98.6%	8,568,995	98.1%	(164,380)	(1,602)	-0.02%	
2011	9,051,713	–	–	–	–	–	–	–	–	8,980,471	(7,542)	99.2%	8,972,929	99.1%	(64,197)	14,587	0.16%	
2012	9,360,028	–	–	–	–	–	–	–	–	–	9,262,995	99.0%	9,262,995	99.0%	(40,016)	57,017	0.61%	
Non-levy collections (2)		15,184	11,997	10,961	8,498	7,162	2,805	6,261	9,575	(8,254)	43,440							
Total collections within fiscal year		<u>\$ 5,751,431</u>	<u>\$ 6,256,254</u>	<u>\$ 6,443,342</u>	<u>\$ 6,964,113</u>	<u>\$ 7,578,220</u>	<u>\$ 7,897,145</u>	<u>\$ 8,274,948</u>	<u>\$ 8,649,002</u>	<u>\$ 8,941,851</u>	<u>\$ 9,225,716</u>					<u>\$ 81,137</u>		
Tax Increments:																		
2003	\$ 1,426,740	\$ 1,391,261	\$ 5,957	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	97.5%	\$ 1,397,218	97.9%	\$ (29,522)	\$ –	0.00%	
2004	1,512,562	–	1,508,828	–	(19,903)	–	–	–	–	–	–	99.8%	1,488,925	98.4%	(23,637)	–	0.00%	
2005	1,612,519	–	–	1,556,678	15,546	–	–	–	–	–	–	96.5%	1,572,224	97.5%	(40,295)	–	0.00%	
2006	1,651,885	–	–	–	1,642,956	–	–	–	–	–	–	99.5%	1,642,956	99.5%	(8,929)	–	0.00%	
2007	1,785,481	–	–	–	–	1,785,481	–	–	–	–	–	100.0%	1,785,481	100.0%	–	–	0.00%	
2008	1,990,510	–	–	–	–	–	1,840,640	–	–	–	–	92.5%	1,840,640	92.5%	(149,870)	–	0.00%	
2009	2,037,210	–	–	–	–	–	–	2,007,418	–	–	–	98.5%	2,007,418	98.5%	(29,792)	–	0.00%	
2010	2,096,947	–	–	–	–	–	–	–	1,935,523	9,302	–	92.3%	1,944,825	92.7%	(152,122)	–	0.00%	
2011	2,094,246	–	–	–	–	–	–	–	–	2,026,325	9,864	96.8%	2,036,189	97.2%	(58,057)	–	0.00%	
2012	2,013,059	–	–	–	–	–	–	–	–	–	1,939,529	96.3%	1,939,529	96.3%	(48,288)	25,242	1.25%	
Non-levy collections (2)		–	–	–	–	–	–	–	–	–	30,658							
Total collections within fiscal year		<u>\$ 1,391,261</u>	<u>\$ 1,514,785</u>	<u>\$ 1,556,678</u>	<u>\$ 1,638,599</u>	<u>\$ 1,785,481</u>	<u>\$ 1,840,640</u>	<u>\$ 2,007,418</u>	<u>\$ 1,935,523</u>	<u>\$ 2,035,627</u>	<u>\$ 1,980,051</u>					<u>\$ 25,242</u>		

(1) Net of county rounding adjustment

(2) Non-levy collections include interest and other collections that do not reduce uncollected taxes

CITY OF SHOREVIEW
Water Sold by Type of Customer
Last Ten Fiscal Years
(in millions of gallons)

Table 10

Fiscal Year	Residential				Commercial/Industrial/Hotel/Motel/Public Institutions Religious/Charitable/Residential irrigation only accounts				Shoreview City Accounts (2)	Total Water Sold	
	Tier 1 – First 15,000 Gallons	Tier 2 – Second 15,000 Gallons	Tier 3 – Remaining Gallons	Total Residential	Tier 1 – First 50,000 Gallons	Tier 2 – Second 1,150,000 Gallons	Tier 3 – Remaining Water Consumed	Total Commercial/ Industrial Etc.			
2003	398.8	319.5	193.0	911.3	-	186.4	-	186.4	-	1,097.7	
2004	390.3	268.6	128.2	787.1	-	185.9	-	185.9	-	973.0	
2005	388.4	243.5	110.9	742.8	-	187.3	-	187.3	-	930.1	
2006	389.0	266.7	160.0	815.7	-	183.7	-	183.7	-	999.4	
2007	387.0	260.4	190.6	838.0	-	189.1	-	189.1	17.7	1,044.8	
2008	381.5	254.2	141.8	777.5	-	186.5	-	186.5	18.0	982.0	
2009	389.9	280.8	171.5	842.2	-	205.4	-	205.4	24.1	1,071.7	
(1) Commercial/Industrial/Hotel/Motel/Public Institutions Religious/Charitable/Residential irrigation only accounts											
	(1) Residential								Shoreview City Accounts (2)	Total Water Sold	
	Tier 1 – First 10,000 Gallons	Tier 2 – Second 20,000 Gallons	Tier 3 – Remaining Gallons	Total Residential	Tier 1 – First 50,000 Gallons	Tier 2 – Second 1,150,000 Gallons	Tier 3 – Remaining Water Consumed	Total Commercial/ Industrial Etc.			
2010	362.0	230.8	94.8	687.6	27.0	141.3	32.3	200.6	22.6	910.8	
2011	360.5	221.7	94.7	676.9	26.1	126.7	41.7	194.5	19.0	890.4	
(3) Residential Commercial/Industrial/Hotel/Motel/Public Institutions Religious/Charitable/Residential irrigation only accounts											
	Tier 1 – First 5,000 Gallons	Tier 2 – Second 5,000 Gallons	Tier 3 – Third 20,000 Gallons	Tier 4 – Remaining Gallons	Total Residential	Tier 1 – First 50,000 Gallons	Tier 2 – Second 1,150,000 Gallons	Tier 3 – Remaining Water Consumed	Total Commercial/ Industrial Etc.	Shoreview City Accounts (2)	Total Water Sold
2012	199.7	165.0	250.7	148.8	764.2	28.2	151.5	49.5	229.2	26.0	1,019.4
Percentage of Total Water Sold											
2003	36.3%		29.1%	17.6%	83.0%	0.0%	17.0%	0.0%	17.0%	0.0%	100.0%
2004	40.1%		27.6%	13.2%	80.9%	0.0%	19.1%	0.0%	19.1%	0.0%	100.0%
2005	41.8%		26.2%	11.9%	79.9%	0.0%	20.1%	0.0%	20.1%	0.0%	100.0%
2006	38.9%		26.7%	16.0%	81.6%	0.0%	18.4%	0.0%	18.4%	0.0%	100.0%
2007	37.1%		24.9%	18.2%	80.2%	0.0%	18.1%	0.0%	18.1%	1.7%	100.0%
2008	38.9%		25.9%	14.4%	79.2%	0.0%	19.0%	0.0%	19.0%	1.8%	100.0%
2009	36.4%		26.2%	16.0%	78.6%	0.0%	19.2%	0.0%	19.2%	2.2%	100.0%
2010	39.8%		25.3%	10.4%	75.5%	3.0%	15.5%	3.5%	22.0%	2.5%	100.0%
2011	40.6%		24.9%	10.6%	76.1%	2.9%	14.2%	4.7%	21.8%	2.1%	100.0%
2012	19.5%	16.2%	24.6%	14.6%	74.9%	2.8%	14.8%	4.9%	22.5%	2.6%	100.0%

- (1) In 2010 the City adjusted it's tiers for residential accounts, and established tiers for Commercial/Industrial etc. accounts.
(2) The City does not bill the various departments for water use, this consumption is for tracking purposes only. The City started tracking internal water consumption in 2007.
(3) In 2012 the City adjusted it's tiers for residential accounts by splitting the first tier into two tiers.

Source: City of Shoreview utility billing department

CITY OF SHOREVIEW
Residential Utility Rates per Quarter
Last Ten Fiscal Years

Table 11

Fiscal Year	Water				Surface Water Management				Sewer						Street Lighting		
	Rate per 1,000 Gallons				Per Unit		Per Acre		Use Rate (Based on Winter Water Use)						Per Unit		
	Base Rate Per Unit	Tier 1	Tier 2	Tier 3	Single- Family	Town Home	Condos	Apartments and Mobile Homes	Base Rate	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Single and Multi- Family	Condos Apartments and Mobile Homes	
		First	Second							Less	Between	Between	Between	Greater			
		15,000	15,000	Remaining						Than	5,000 and	10,001 and	20,001 and	Than			
Gallons	Gallons	Gallons	Gallons	Gallons	Gallons	Gallons	Gallons	Gallons									
2003	\$ 7.77	\$ 0.659		\$ 1.162	\$ 1.688	\$ 9.48	\$ 10.05	\$ 65.42	\$ 79.35	\$ 27.43	\$ 8.67	\$ 13.19	\$ 17.72	\$ 22.25	\$ 26.77	(1)	(1)
2004	7.98	0.677		1.194	1.734	9.72	10.30	67.06	81.33	28.94	9.15	13.93	18.69	23.47	28.24	\$ 4.00	\$ 3.00
2005	8.25	0.700		1.235	1.793	9.96	10.56	68.74	83.36	30.27	9.57	14.57	19.55	24.55	29.54	4.00	3.00
2006	9.08	0.770		1.359	1.972	10.28	10.90	70.97	86.07	31.93	10.10	15.37	20.63	25.90	31.16	4.40	3.30
2007	10.90	0.770		1.468	2.268	10.90	11.55	75.23	91.23	28.74	11.11	18.44	26.82	34.97	43.62	4.66	3.50
2008	12.54	0.816		1.644	2.608	12.00	12.71	82.75	100.35	27.88	11.78	20.28	31.11	42.31	54.96	6.06	4.55
2009	13.17	0.857		1.726	2.738	13.20	13.98	91.03	110.40	30.67	12.96	22.31	34.22	46.54	60.46	6.67	5.00
(2) Water																	
	Rate per 1,000 Gallons				Surface Water Management				Sewer						Street Lighting		
	Rate per 1,000 Gallons				Per Unit		Per Acre		Use Rate per unit (Based on Winter Water Use)						Per Unit		
	Base Rate Per Unit	Tier 1	Tier 2	Tier 3	Single- Family	Town Home	Condos	Apartments and Mobile Homes	Base Rate Per Unit	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Single and Multi- Family	Condos Apartments and Mobile Homes	
		10,000	20,000	Remaining						Less	Between	Between	Between	Greater			
		Gallons	Gallons	Gallons						5,000	5,000 and	10,001 and	20,001 and	Than			
Gallons	Gallons	Gallons	Gallons	Gallons	Gallons	Gallons	Gallons	Gallons									
2010	\$ 10.00	\$ 0.920		\$ 1.860	\$ 2.950	\$ 14.52	\$ 15.38	\$ 121.44	\$ 121.44	\$ 32.51	\$ 13.74	\$ 23.65	\$ 36.27	\$ 49.33	\$ 64.09	\$ 6.94	\$ 5.20
2011	11.00	1.010		2.050	3.250	15.97	16.92	133.58	133.58	35.76	15.11	26.02	39.90	54.26	70.50	7.29	5.46
(3) Water																	
	Rate per 1,000 Gallons				Surface Water Management				Sewer						Street Lighting		
	Rate per 1,000 Gallons				Per Unit		Per Acre		Use Rate per unit (Based on Winter Water Use)						Per Unit		
	Base Rate Per Unit	Tier 1	Tier 2	Tier 2	Tier 3	Single- Family	Town Home	Condos	Apartments and Mobile Homes	Base Rate Per Unit	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	Single and Multi- Family	Condos Apartments and Mobile Homes
		5,000	Second	Third	Less						Between	Between	Between	Greater			
		Gallons	5,000	20,000	5,000						5,000 and	10,001 and	20,001 and	Than			
Gallons	Gallons	Gallons	Gallons	Gallons	Gallons	Gallons	Gallons	Gallons									
2012	\$ 13.00	\$ 1.04	\$ 1.69	\$ 2.34	\$ 3.84	\$ 17.57	\$ 18.61	\$ 146.94	\$ 146.94	\$ 35.76	\$ 15.11	\$ 26.02	\$ 39.90	\$ 54.26	\$ 70.50	\$ 9.11	\$ 6.83

Source: City of Shoreview utility billing department

Note: Rates through 2009 are based on 5/8" meter which is the standard household meter size. The authority charged an excess base rate for meter sizes larger than a 5/8" meter.

- (1) Street lights rates were implemented beginning in 2004.
- (2) Conservation rates restructured in 2010.
- (3) Conservation rates restructured in 2012 to split the first residential tier into two tiers.

CITY OF SHOREVIEW

Commercial Utility Rates per Quarter
Last Ten Fiscal Years

Table 12

Fiscal Year	Water		Sewer		Surface Water Management	Street Lights
	Base Rate – First 15,000 Gallons	Rate per 1,000 Gallons	Base Rate – First 15,000 Gallons	Rate per 1,000 Gallons	Rate Per Acre	Rate Per Acre
	(1)					(2)
2003	\$ 17.43	\$ 1.162	\$ 45.15	\$ 2.267	\$ 79.35	\$ 12.00
2004	17.91	1.194	47.63	2.392	81.33	12.00
2005	18.53	1.235	49.82	2.502	83.36	13.20
2006	20.39	1.359	52.56	2.640	86.07	14.00
2007	22.02	1.468	55.56	2.798	91.23	18.20
2008	24.66	1.644	58.99	2.970	100.35	20.02
2009	25.89	1.726	64.89	3.270	110.40	

Fiscal Year	(3) Water				Sewer		Surface Water Management	Street Lights
	Base Rate Per Account	Rate per 1,000 gallons			Sewer Availability Charge Per Account	Rate per 1000 Gallons	Rate Per Acre	Rate Per Acre
		First 50,000	Next 1,150,000	All Remaining				
2010	\$ 10.00	\$ 1.40	\$ 1.86	\$ 2.95	\$ 32.51	\$ 3.47	\$ 121.44	\$ 20.82
2011	11.00	1.54	2.05	3.25	35.76	3.82	133.58	21.86
2012	13.00	1.69	2.34	3.84	35.76	3.82	146.94	27.33

Source:

City of Shoreview utility billing department

(1) Rates through 2009 are based on 5/8" meter. The City charged higher minimum water rates for meter sizes larger than a 5/8" meter through 2009.

(2) Street lights rates were implemented beginning in 2004.

(3) Conservation based rate structure implemented in 2010 for commercial accounts.

CITY OF SHOREVIEW

 Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Table 13

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Estimated Personal Income (2)	Percentage of Estimated actual Market Value of Property (1)	Per Capita (2)
	General Obligation Improvement Bonds	Other General Obligation Bonds	General Obligation Tax Increment Bonds	Certificates of Participation	Loan Payable	Water Bonds	Sewer Bonds	Surface Water Bonds				
2003	\$ 2,795,000	\$ —	\$ 7,205,000	\$ 6,450,000	\$ —	\$ 2,080,000	\$ —	\$ 475,000	\$ 19,005,000	1.96%	0.95%	718
2004	2,800,000	1,600,000	9,050,000	6,275,000	—	2,050,000	395,000	975,000	23,145,000	2.22%	1.03%	874
2005	2,300,000	1,600,000	5,700,000	5,950,000	—	1,850,000	365,000	895,000	18,660,000	1.73%	0.73%	707
2006	2,120,000	4,035,000	4,770,000	5,660,000	6,000,000	2,495,000	605,000	815,000	26,500,000	2.63%	0.93%	1,021
2007	1,820,000	3,950,000	4,925,000	5,430,000	6,000,000	3,120,000	835,000	1,335,000	27,415,000	2.56%	0.88%	1,051
2008	1,835,000	3,795,000	2,845,000	5,190,000	6,000,000	5,210,000	1,370,000	1,485,000	27,730,000	2.48%	0.85%	1,060
2009	1,765,000	3,570,000	2,510,000	4,940,000	6,000,000	4,895,000	1,315,000	2,555,000	27,550,000	2.55%	0.86%	1,058
2010	1,610,000	8,950,000	2,180,000	4,680,000	6,000,000	5,710,000	2,220,000	2,780,000	34,130,000	3.08%	1.13%	1,319
2011	1,350,000	8,705,000	1,830,000	4,620,000	6,000,000	5,250,000	2,130,000	2,555,000	32,440,000	2.90%	1.14%	1,295
2012	1,065,000	8,355,000	1,320,000	4,330,000	6,000,000	4,700,000	1,985,000	2,300,000	30,055,000	2.64%	1.17%	1,197

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements.

(1) See Table 6 – Taxable Net Tax Capacity Value and Estimated Market Value of Taxable Property for the estimated actual market value.

(2) See Table 18 – Demographic and Economic Statistics schedule for estimated personal income and population data.

CITY OF SHOREVIEW

Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 14

Fiscal Year	Governmental Activities			Business-Type Activities			Total	Resources Restricted for Repayment	Net General Bonded Debt	Percentage of Estimated Actual Market Value of Property (1)	Per Capita (2)
	General Improvement Bonds	Other General Obligation Bonds	General Obligation Tax Increment Bonds	Water Bonds	Sewer Bonds	Surface Water Bonds					
2003	\$2,795,000	\$ –	\$ 7,205,000	\$ 2,080,000	\$ –	\$ 475,000	\$12,555,000	\$ 1,084,142	\$11,470,858	0.58%	433
2004	2,800,000	1,600,000	9,050,000	2,050,000	395,000	975,000	16,870,000	1,244,319	15,625,681	0.69%	590
2005	2,300,000	1,600,000	5,700,000	1,850,000	365,000	895,000	12,710,000	1,126,169	11,583,831	0.46%	439
2006	2,120,000	4,035,000	4,770,000	2,495,000	605,000	815,000	14,840,000	1,138,503	13,701,497	0.48%	528
2007	1,820,000	3,950,000	4,925,000	3,120,000	835,000	1,335,000	15,985,000	2,352,925	13,632,075	0.44%	522
2008	1,835,000	3,795,000	2,845,000	5,210,000	1,370,000	1,485,000	16,540,000	1,415,305	15,124,695	0.46%	578
2009	1,765,000	3,570,000	2,510,000	4,895,000	1,315,000	2,555,000	16,610,000	611,096	15,998,904	0.50%	614
2010	1,610,000	8,950,000	2,180,000	5,710,000	2,220,000	2,780,000	23,450,000	1,480,563	21,969,437	0.73%	849
2011	1,350,000	8,705,000	1,830,000	5,250,000	2,130,000	2,555,000	21,820,000	1,520,502	20,299,498	0.72%	811
2012	1,065,000	8,355,000	1,320,000	4,700,000	1,985,000	2,300,000	19,725,000	1,423,875	18,301,125	0.71%	729

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements.

(1) See Table 6 – Taxable Net Tax Capacity Value and Estimated Market Value of Taxable Property for the estimated actual market value.

(2) See Table 18 – Demographic and Economic Statistics schedule.

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CITY OF SHOREVIEW

Direct and Overlapping Governmental Activities Debt
as of December 31, 2012

Table 15

Governmental Unit	Net Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Overlapping Debt
Overlapping debt			
Ramsey County	\$ 142,073,487	6.776%	\$ 9,626,534
Independent School District #621 (Mounds View)	173,129,342	32.176%	55,706,141
Independent School District #623 (Roseville)	44,809,552	3.610%	1,617,625
Special Independent School District #916 (Vo-Tech)	5,027,053	11.990%	602,743
Metropolitan Council	1,132,800,956	0.911%	10,325,113
Metro Airport Commission	2,344,445	0.911%	21,369
Total overlapping debt			77,899,525
City of Shoreview direct debt (1)			19,646,125
Total direct and overlapping debt			\$ 97,545,650

Debt Ratios	
Ratio of debt per capita (25,118 population, Table 18)	\$ 3,883
Ratio of debt to net tax capacity valuations (after fiscal disparities) (\$28,150,469, Table 6)	346.52%
Ratio of debt to estimated actual market value of property (\$2,568,566,800, Table 6)	3.80%

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Equalization and Assessment. Debt outstanding data provided by the county.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- (1) Gross bonded and direct debt outstanding includes all general obligation, certificate of participation debt and loans less resources restricted for the repayment of debt.
- (2) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

CITY OF SHOREVIEW
Legal Debt Margin Information
Last Ten Fiscal Years

Table 16

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	\$ 39,882,332	\$ 45,091,048	\$ 50,892,356	\$ 56,897,808	\$ 62,498,286	\$ 98,286,960	\$ 95,948,310	\$ 90,467,340	\$ 85,157,333	\$ 77,057,004
Total net debt applicable to limit	<u>5,677,705</u>	<u>7,209,069</u>	<u>6,920,862</u>	<u>9,055,007</u>	<u>8,614,289</u>	<u>8,075,009</u>	<u>7,611,185</u>	<u>12,747,163</u>	<u>12,442,328</u>	<u>11,798,714</u>
Legal debt margin	<u>\$ 34,204,627</u>	<u>\$ 37,881,979</u>	<u>\$ 43,971,494</u>	<u>\$ 47,842,801</u>	<u>\$ 53,883,997</u>	<u>\$ 90,211,951</u>	<u>\$ 88,337,125</u>	<u>\$ 77,720,177</u>	<u>\$ 72,715,005</u>	<u>\$ 65,258,290</u>
Total net debt applicable to the limit as a percentage of debt limit	14.24%	15.99%	13.60%	15.91%	13.78%	8.22%	7.93%	14.09%	14.61%	15.31%

Legal Debt Margin Calculation for Fiscal Year 2012

Market value (payable 2012 value, Table 6)	\$2,568,566,800
Debt limit (3% of market value)	77,057,004
Debt applicable to limit	
Other general obligation bonds	8,355,000
Certificates of participation	4,330,000
Less cash set aside for repayment of general obligation debt	<u>(886,286)</u>
Total net debt applicable to limit	<u>11,798,714</u>
Legal debt margin	<u>\$ 65,258,290</u>

Note: Under state statutes, prior to June 30, 2008 the City's outstanding general obligation debt and certificates of participation can not exceed 2 percent of total market property value, after that date the limit increases to 3 percent. By law, the debt subject to the limitation may be offset by amounts set aside for repaying the debt.

CITY OF SHOREVIEW
Pledged Revenue Coverage
Last Ten Fiscal Years

Table 17

Fiscal Year	Utility Revenues	Less	Net	Debt Service		Times Coverage
		Operating Expenses (1)	Available Revenue	Principal	Interest	
Water Revenue Bonds						
2003	\$ 1,581,231	\$ 1,066,844	\$ 514,387	\$ 475,000	\$ 107,906	0.88
2004	1,530,258	1,042,626	487,632	475,000	96,561	0.85
2005	1,415,773	1,185,849	229,924	200,000	73,273	0.84
2006	1,749,143	1,243,722	505,421	215,000	101,273	1.60
2007	1,981,574	1,239,931	741,643	220,000	103,071	2.30
2008	2,033,018	1,329,619	703,399	275,000	126,890	1.75
2009	2,282,465	1,245,066	1,037,399	315,000	197,535	2.02
2010	2,042,580	1,339,306	703,274	425,000	192,894	1.14
2011	2,279,802	1,368,874	910,928	460,000	202,063	1.38
2012	2,966,297	1,405,259	1,561,038	550,000	183,921	2.13
Sewer Revenue Bonds (2)						
2004	\$ 2,398,155	\$ 2,291,031	\$ 107,124	\$ —	\$ 11,231	9.54
2005	2,513,120	2,421,374	91,746	30,000	10,923	2.24
2006	2,704,890	2,455,406	249,484	30,000	21,362	4.86
2007	2,799,893	2,416,145	383,748	30,000	23,635	7.15
2008	2,923,581	2,590,220	333,361	45,000	34,913	4.17
2009	3,187,514	3,013,766	173,748	55,000	50,951	1.64
2010	3,274,000	2,869,607	404,393	80,000	57,495	2.94
2011	3,617,492	2,953,041	664,451	90,000	76,061	4.00
2012	3,604,257	2,893,667	710,590	145,000	72,489	3.27
Surface Water Management Revenue Bonds						
2003	\$ 586,180	\$ 413,589	\$ 172,591	\$ —	\$ 14,902	11.58
2004	614,555	427,300	187,255	35,000	29,451	2.91
2005	618,569	421,645	196,924	80,000	27,538	1.83
2006	670,491	491,989	178,502	80,000	26,492	1.68
2007	751,760	516,526	235,234	80,000	32,303	2.09
2008	837,128	545,757	291,371	80,000	48,344	2.27
2009	826,536	565,250	261,286	110,000	26,179	1.92
2010	937,550	656,073	281,477	130,000	90,408	1.28
2011	1,032,620	669,298	363,322	225,000	91,277	1.15
2012	1,159,830	710,054	449,776	255,000	84,797	1.32

Note: Details regarding the City's outstanding debt can be found in the notes to financial statements. Utility revenues include operating revenue, earnings on investments and the Federal credit associated with Build America Bonds.

- (1) Operating expenses do not include depreciation.
- (2) No sewer revenue debt before 2004.

CITY OF SHOREVIEW

Demographic and Economic Statistics
Last Ten Fiscal Years

Table 18

Fiscal Year	Population (1)	Estimated Personal Income (Amounts Expressed in Whole Dollars) (2)	Per Capita Personal Income (3)	School Enrollment District #621 (4)	School Enrollment District #623 (4)	Unemployment Rate (5)
2003	26,478	\$ 970,524,612	\$ 36,654	11,230	6,522	3.8 %
2004	26,475	1,042,294,275	39,369	10,606	6,255	3.7 %
2005	26,381	1,078,534,423	40,883	10,513	6,383	3.2 %
2006	25,964	1,008,935,076	38,859	10,234	6,396	3.1 %
2007	26,093	1,070,700,162	41,034	10,116	6,327	3.5 %
2008	26,159	1,118,872,748	42,772	9,914	6,368	4.4 %
2009	26,036	1,081,847,872	41,552	9,901	6,438	6.3 %
2010	25,882	1,108,862,526	42,843	9,849	6,437	6.3 %
2011	25,043	1,118,720,896	44,672	9,911	6,454	5.4 %
2012	25,118	1,139,478,070	45,365	10,019	6,772	4.6 %

Notes/Sources:

- (1) Population figures other than Census year are estimates provided by the Metropolitan Council. The last census was taken in 2010. Figures are as of December 31 of the prior year.
- (2) This estimated personal income number is calculated by taking the per capita personal income and multiplying it by the City's population. Also see note (3) regarding the per capita personal income figures.
- (3) Per capital personal income data is provided by the Bureau of Economic Analysis. The 2003–2005 data is for Ramsey County, in which the City resides, the smallest region applicable to the City that this information is available for. The 2006–2011 figures are estimates for the state of Minnesota as there were no other relevant estimates available at the time of this report. 2012 information is for Ramsey County.
- (4) The City is served by two independent school districts. District #621 covers approximately 90% of the City, while District #623 covers approximately 10% of the City. Accordingly, not all students enrolled in District #621 or District #623 live in the City.
- (5) Annual average unemployment provided by the Minnesota Department of Employment & Economic Development.

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CITY OF SHOREVIEW

Principal Employers

Current Year and Nine Years Ago

Table 19

Employer	2012			2003		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Deluxe Corporation	975	1	8.89%	1,044	2	9.02%
Wells Fargo	711	2	6.48%	1,200	1	10.37%
Cummins Power Generation	600	3	5.47%	—	—	—
TSI, Inc.	440	4	4.01%	350	5	3.02%
DJO Global - Empi Inc.	390	5	3.56%	311	6	2.69%
Target Corporation	200	6	1.82%	400	4	3.46%
PAR Systems	160	7	1.46%	200	8	1.73%
City of Shoreview	133	8	1.21%	—	—	—
Rainbow Foods	62	9	0.57%	—	—	—
Kozlak's Royal Oak Restaurant	52	10	0.47%	—	—	—
Fair Isaac	—	—	—	250	7	2.16%
Curtis 1000	—	—	—	175	9	1.51%
Medtronic	—	—	—	900	3	7.78%
AGS Publishing	—	—	—	150	10	1.30%
Total	<u>3,723</u>		<u>33.95%</u>	<u>4,980</u>		<u>43.02%</u>

Source: Telephone survey of individual employers January 2004 and January 2013

CITY OF SHOREVIEW

Budgeted Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Table 20

	Budgeted Full-Time Equivalent Employees as of December 31,									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
General government	12.18	13.26	12.16	13.36	12.16	13.61	12.25	14.05	12.66	14.69
Public safety										
Emergency services	0.20	0.20	0.20	0.20	0.16	0.16	0.16	0.08	0.08	0.07
Public works										
Engineering	4.78	4.40	4.39	4.39	4.39	4.05	4.05	4.05	4.05	4.03
Maintenance	8.19	6.88	6.93	6.93	6.99	7.36	7.35	6.83	6.83	6.84
Parks and recreation										
Administration	6.30	6.30	6.30	6.31	6.27	6.26	6.15	6.00	5.00	4.00
Maintenance	10.04	9.03	9.04	9.04	9.40	9.87	9.45	9.51	9.71	9.95
Community center	40.35	40.73	42.63	45.81	43.72	39.51	37.29	36.03	36.68	36.44
Recreation programs	20.64	22.76	21.91	23.06	22.12	25.42	26.41	26.08	28.54	29.13
Community development	6.10	5.60	5.60	5.60	5.75	5.75	5.77	5.82	5.82	5.84
Water	8.48	7.80	7.80	7.82	8.11	8.36	8.43	8.33	8.35	8.40
Sewer	6.83	6.53	6.53	6.56	6.83	7.08	7.22	7.34	7.35	7.41
Surface water	3.31	2.86	2.87	2.87	2.88	3.33	3.37	3.52	3.52	3.55
Street lights	–	0.10	0.10	0.10	0.10	0.20	0.20	0.20	0.20	0.20
Central garage	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40	2.40
Total	<u>129.80</u>	<u>128.85</u>	<u>128.86</u>	<u>134.45</u>	<u>131.28</u>	<u>133.36</u>	<u>130.50</u>	<u>130.24</u>	<u>131.19</u>	<u>132.95</u>
Full-time	78.00	76.00	75.00	77.00	76.00	77.25	78.68	79.75	79.00	79.00
Part-time	1.25	0.75	0.75	–	–	0.75	0.75	0.75	0.75	1.55
Associate	<u>50.55</u>	<u>52.10</u>	<u>53.11</u>	<u>57.45</u>	<u>55.28</u>	<u>55.36</u>	<u>51.07</u>	<u>49.74</u>	<u>51.44</u>	<u>52.40</u>
Total	<u>129.80</u>	<u>128.85</u>	<u>128.86</u>	<u>134.45</u>	<u>131.28</u>	<u>133.36</u>	<u>130.50</u>	<u>130.24</u>	<u>131.19</u>	<u>132.95</u>

Source: City Finance Department

CITY OF SHOREVIEW

Operating Indicators by Function
Last Ten Fiscal Years

Table 21

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police (contracted with Ramsey County Sheriff's Department)										
Calls for service	7,422	7,249	7,115	6,508	6,526	6,719	6,441	6,298	6,443	6,661
Fire (contractual service with Lake Johanna Fire Department)										
Calls for service	254	283	302	274	302	307	306	806	988	1,060
Public works										
Salt (tons)	350	280	260	715	705	938	350	525	438	373
Sand (tons)	815	790	940	—	—	—	—	—	—	—
Crack sealant (pounds)	26,000	26,000	22,000	18,000	18,000	10,000	11,250	9,000	13,500	9,000
Asphalt repairs (tons of asphalt)	475	450	668	684	595	795	578	579	775	505
Recyclables collected (tons)	2,835	3,006	3,412	3,942	3,723	3,385	3,204	3,342	2,985	3,165
Trails resurfaced (miles)	—	—	—	4.50	5.75	5.00	5.50	4.50	5.00	9.90
Parks and recreation										
Recreation program users (registered participants)	13,386	13,994	14,931	15,228	14,828	16,369	17,997	20,679	26,317	28,601
Community program attendance (non-fee programs)	—	—	—	—	—	—	—	—	57,055	49,542
Community center users	350,540	397,008	406,783	423,314	415,886	449,811	507,951	627,822	699,025	692,616
Community development										
Permits issued	1,447	1,116	1,013	1,146	3,057	2,350	1,352	1,044	922	867
Permit valuation (millions)	\$ 27.3	\$ 64.4	\$ 32.0	\$ 40.3	\$ 32.3	\$ 26.6	\$ 18.3	\$ 42.1	\$ 21.9	\$ 29.9
Water										
Water main breaks	11	9	16	5	7	21	9	14	3	3
Meters replaced	138	99	301	524	128	372	8,100	61	25	16
Curb box repairs (water valves)	—	—	85	225	180	485	1,130	458	385	225
Hydrants repaired	N/A	N/A	18	22	32	192	39	42	75	18
Average annual residential water use per household	97,607	85,367	80,802	88,068	91,881	82,600	89,050	82,742	81,368	91,605
Average daily consumption (millions of gallons)	3.58	3.08	3.14	3.28	3.50	3.24	3.30	2.91	2.69	3.01
Maximum daily gallons pumped (millions)	11.84	8.37	8.90	9.77	10.10	8.33	8.17	9.46	5.91	6.97
Sewer										
Sewage flow (millions of gallons)	1,005	1,014	950	886	920	935	872	872	914	709
Miles jetted	40	55	60	58	60	68	65	72	82	82
Miles rodded	9	9	8	8	9	28	25	38	32	35
Miles inspected	20	10	40	40	40	49	48	40	60	40
Surface water management										
Material dredged from ponds (yards)	425	425	425	425	425	500	432	795	—	—
Sweepings collected (tons of material)	1,150	1,100	1,200	450	200	300	200	250	200	250
Miles of street swept	270	270	360	450	450	360	270	405	353	405
Street sweeping rounds per year	3	3	4	5	5	4	3	5	4	5
Lake augmentation, gallons pumped (millions)	—	90.0	32.3	10.4	135.9	—	32.5	221.2	—	110.7
Central garage										
Gallons of gas	20,500	19,000	22,000	20,000	17,500	18,512	15,409	17,500	14,676	14,980
Gallons of diesel	16,500	18,500	23,000	17,500	20,000	18,901	22,265	20,000	20,002	23,183
Oil changes	77	90	99	101	115	108	97	164	116	114
Tires replaced	28	59	27	81	34	51	29	42	17	54

Sources: Various city departments

Note: Indicators are not available for the general government city functions.

N/A Indicators are not available for these years

*Community program attendance (non-fee programs) represent data not quantified prior to 2011

CITY OF SHOREVIEW
Capital Asset Statistics by Function
Last Ten Fiscal Years

Table 22

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
Public safety										
Police (contractual service with Ramsey County Sheriff's Department)										
Patrol units (24-hour)	2	2	2	2	2	2	2	2	2	2
Fire (contractual service with Lake Johanna Fire Department)										
Fire stations in service	4	4	4	4	4	4	4	4	4	4
Number of volunteers	65	65	65	65	65	66	61	60	60	60
Public works										
Streets (miles)	86.8	87.6	87.6	87.6	87.6	87.6	87.6	88.2	89.0	89.0
Culture and recreation										
Parks acreage	268	268	268	268	268	268	268	268	268	268
Parks	10	10	10	10	10	10	10	10	10	10
Park buildings	8	8	8	8	8	8	8	8	8	8
Picnic shelters	5	5	5	5	5	5	6	6	6	6
Community center (square footage)	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000
Water										
Water mains (miles)	101.9	102.8	102.8	102.8	102.8	102.8	102.8	102.8	103.0	103.0
Fire hydrants	1,244	1,310	1,310	1,312	1,312	1,318	1,318	1,318	1,325	1,327
Wells	6	6	6	6	6	6	6	6	6	6
Maximum storage capacity (millions of gallons)	4	4	4	4	4	4	4	4	4	4
Sewer										
Sanitary sewers (miles)	107.1	107.9	107.9	107.9	107.9	107.9	107.9	107.9	108.2	108.2
Lift stations	17	17	17	17	17	17	17	17	17	17
Surface water management										
Storm water lift stations	2	2	3	3	4	4	5	5	4	4
Storm ponds	196	197	198	200	200	200	200	200	200	200
Street lights	644	645	645	659	659	659	681	692	692	701

Sources: Various city departments

Note: No capital asset indicators are available for the general government and community development functions.

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